

# The NATIONAL UNDERWRITER

3rd Year, No. 27

—The National Weekly Newspaper of Life Insurance—

July 4, 1959

## Single Pre-Authorized Check Plan Covers Life, A&S, Fire-Casualty

By ROBERT B. MITCHELL

Life, A&S, fire and casualty lines are covered by a single pre-authorized check plan, under an arrangement just announced by the Springfield Fire Marine and Monarch Life group.

Springfield-Monarch has checked the field carefully and believes it is the only plan covering all life, A&S, property and liability coverages under the same pre-authorized check payment plan, according to H. Hait and Graham, vice-president and treasurer of both companies, who was in charge of the team that developed the plan. The plan also provides for payment on a coupon basis for all coverages, with the insured sending in a check each month. Some other multiple line insurers already provide this service, however. Monarch has had a life and A&S pre-authorized check plan for some time.

### Enthusiastically Received

Even in the few days the pre-authorized check plan has been available, it has been enthusiastically received by the field force, Mr. Graham said. The plan is expected to have special appeal for the group's fire-casualty agents wanting to write life and A&S insurance on present fire-casualty policyholders, since a substantial amount of life and A&S can be added on the least burdensome basis.

The monthly life premium is one-sixth of the semi-annual premium, whether the pre-authorized check plan or the coupon plan is used. The plan

calls for paying two months life and A&S premiums and three months fire-casualty premiums when the arrangement is put into effect.

When the fire or casualty policy term runs out, usually at the end of three or five years, there is no requirement for another three-month payment, but if premium rates have been increased, the insured would be billed for the equivalent of three months times the monthly difference in rates and would send a check for this amount. Subsequent monthly automatic check payments would be at the new rate without any other action on the insured's part.

Springfield-Monarch recognizes that the use of the pre-authorized check plan across the board means an increase in costs but is making maximum use of IBM 705 and 650 electronic data processing machines to keep costs down. An obvious advantage from the companies' point of view is that it constitutes an incentive for Springfield fire-casualty agents to place their life business with Monarch Life rather than with some "outside" life insurer.

### Called First Fire-Casualty Plan

Springfield-Monarch believes their "Systematic" plan, as it is called, is not only the first pre-authorized check plan covering all lines of insurance but the first covering fire and casualty lines. Though the plan has become widely popular among life companies, the fire-casualty companies up to now have shied away from it.

## May Ordinary Sales Increase 7%; Total Sales Gain Slightly

Ordinary sales in May were \$4,274,000,000, a gain of 7%, while total life insurance sales were \$5,593,000,000, which is neither a percentage gain nor loss, but a relatively small dollar increase of \$19 million, according to LIAMA.

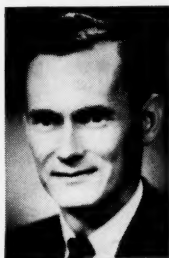
Ordinary sales for the first five months were \$20,512,000,000, also a 7% gain, and total sales for the same period were \$27,152,000,000, a 3% decrease.

Group sales for the month were \$686 million, a 29% decline, and for the five months were \$3,739,000,000, down 36%. These figures include only new groups and not additions to group contracts already in force.

In May, industrial sales were \$633 million, a decrease of 1%, and for the five months were \$2,901,000,000, a 2% increase.

## J. Marvin Foley Joins LIAMA As Consultant

J. Marvin Foley, former district manager of Commonwealth Life at Springfield, O., has joined LIAMA as a consultant in the company relations division.



J. Marvin Foley

Mr. Foley entered the life business with Commonwealth as an agent at Lancaster, Ky., and became assistant manager at Winchester a year later. In 1953, he was transferred to Gadsden, Ala., was promoted to field training consultant in 1955 and a year later was named regional supervisor.

He became district manager at Springfield in 1956.

## Blake T. Newton Jr. To Be Executive V-P Of Life Institute

### Head Of Shenandoah Life Resigns To Accept Newly Created Position Aug. 1

Blake T. Newton Jr. has resigned as president of Shenandoah Life to accept the newly created post of executive vice-president of Institute of Life Insurance. He will join the institute Aug. 1.



B. T. Newton Jr.

Mr. Newton has been a director of Shenandoah since 1948 and president since 1957. Earlier, he was for two years assistant vice-president and attorney at Washington, D. C., for American Telephone & Telegraph Co. He was also attorney and general solicitor of Chesapeake & Potomac Telephone Cos. of Washington, D. C., and later general attorney for the Chesapeake & Potomac Telephone Co. of Virginia.

From 1939 to 1946 he was director of the securities division of the Virginia corporation commission and general counsel of the commission from 1946 to 1948.

Since entering the life business, he has been active in association work and is currently a member of the investment problems committee of American Life Convention and a member of the joint committee on federal income taxation of life insurance companies of ALC and Life Insurance Assn.

Mr. Newton is finance committee chairman of the Episcopal diocese of

(CONTINUED ON PAGE 23)

## Life Companies Ask Bankers Of Iowa Assets At Billion Hearing In Okla.

Metropolitan Life and Franklin Life have protested being assessed \$1,008,887 and \$13,319, respectively, for taxes on annuities sold in Oklahoma and have requested a hearing from Commissioner Hunt, challenging his refusal to let them operate in the state unless the tax claims are paid. Hunt contends that annuity contracts are insurance under Oklahoma law and liable to the premium tax. Some 78 out-of-state companies, including Metropolitan and Franklin, have been paying taxes on other forms of cover but have not been paying the state premium tax on annuities.

The 78 companies were billed for back annuity taxes and some have sent in their checks. The demand for a hearing is considered the first step toward a lawsuit to settle the matter by judicial means.

Hunt has also issued a show cause order to Equitable Society to appear July 7 to show why it should not be barred from Oklahoma for not paying \$1,243,148 back taxes on annuities, and Continental Assurance was informed by the commissioner that unless it paid the \$3,756 he claims it owes, it cannot do business in the state after Aug. 31 when its 1958 license expires.

All of the companies that have not

## Bankers Of Iowa Assets At Billion

Assets of Bankers Life of Iowa have reached \$1 billion, ranking the company with but 16 other U. S. life insurers which have achieved that figure.

Among all types of companies in the U. S., less than 100 have assets of \$1 billion, and heretofore, none of these in Iowa.

Bankers, which was founded in 1879, had assets of \$500 million in 1950 and \$750 million five years later. It has more than \$3.4 billion of insurance in force.

## N.Y. Has Not Outlawed High Cash Value Policy

The statement in one of the insurance publications that the high early cash value contract is "now banned by the New York insurance department" is incorrect, according to the department.

The department has not yet come to a final decision on what regulations it will promulgate or how soon it will issue them.

yet paid the tax have been warned by Hunt that he will not issue their license for 1959 unless they pay the annuity tax.



Executive committee of the 1960 Million Dollar Round Table, elected at the annual meeting of the Round Table last week at Bal Harbour, Fla. From left, Lester A. Rosen, Union Central Life, Memphis, reelected to the committee; Adon N. Smith II, Northwestern Mutual Life, Charlotte, N.C. the current chairman, who continues on the executive committee for another year as immediate past chairman; Robert S. Albritton, Provident Mutual Life, Los Angeles, the new chairman; James B. Irvine Jr., National Life of Vermont, Chattanooga, Tenn., the new vice-chairman, and Daniel H. Coakley, New York Life, Boston, who will be serving his first term on the committee. The 1960 executive committee will take over on Nov. 1, at the end of the current Round Table Year.

## MDRT Names Seven As Governing Board Of New Foundation

**Members Also Recommend Broadened PR Program, Easing Of Insignia Rules**

The Million Dollar Round Table Foundation, whose formation was reported in last week's issue, was further implemented by the naming of its board of directors at the MDRT business session during the annual meeting last week at the Americana Hotel, Bal Harbour, Fla.

The foundation's setup calls for three directors to be elected by the Round Table membership and four ex-officio directors, who are to be the four most recent chairmen of the Round Table. However, the three elective directors were this year appointed rather than elected and will serve until the end of the approaching Round Table year, Oct. 31, 1960.

### Howerton, Scarborough, Wood

The three are Philip F. Howerton, Connecticut Mutual, Charlotte, N. C., W. Franklin Scarborough, New England Life, Ridley Park, Pa., and R. Edwin Wood, Phoenix Mutual Life, San Francisco, a trustee of National Assn. of Life Underwriters.

The four ex-officio directors, who will serve from now until Oct. 31, 1960, are the current chairman, Adon N. Smith II, Northwestern Mutual Life, Charlotte, N. C., William D. Davidson, Equitable Society, Chicago, Howard D. Goldman, Northwestern Mutual, Richmond, and Arthur F. Priebe, Penn Mutual Life, Rockford, Ill.

### Foundation's Objectives

As reported last week, the foundation's objectives are to aid generally in furthering public understanding and enjoyment of the benefits and uses of life insurance through research aimed at better understanding of people's financial problems; through surveys of public habits and attitudes toward financial planning, savings, investment and personal security, through studies of economic factors impinging on individuals' savings and security, such as inflation, taxes, income distribution and the like; through studies aimed at making the relationships between all types of financial advisers more effective, and by furtherance of educational programs designed to enable people to enjoy more effective use of dollars set aside for deferred spending, estate creation or indemnity.

### To Be Illinois Corporation

The foundation will be incorporated under the Illinois not-for-profit corporation act.

Besides approving the establishing of the foundation, the members at their business session adopted a resolution in appreciation of Northwestern Mutual's help in setting up the foundation and starting it off with a substantial contribution in honor of MDRT Chairman Smith, one of the company's career agents.

Contingent on implementation by the executive committee, the members accepted committee reports recom-

## New West Virginia Handbook Published

A new Underwriters Handbook of West Virginia has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new West Virginia handbook may be obtained from the National Underwriter Co. at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

## Stocks

By H. W. Cornelius, Bacon, Whipple & Co.  
135 S. La Salle St., Chicago, June 30, 1959

	Bid	Asked
Aetna Life	222	232
Beneficial Standard	15 1/4	16 3/4
Business Men's Assurance	38 3/4	41
Cal.-Western States	103	112
Commonwealth Life	23 1/4	24 1/2
Connecticut General	325	335
Continental Assurance	156	168
Franklin Life	76 1/2	80
Great Southern Life	82	90
Gulf Life	22	24
Jefferson Standard	84	90
Kansas City Life	1435	1510
Liberty National Life	44	46 1/2
Life & Casualty	22 1/4	23 3/4
Life of Virginia	54	57 1/2
Lincoln National Life	209	217
National L.A.	109	114
North American, Ill.	16 1/4	17 1/2
Nw. National Life	95	105
Ohio State Life	260	300
Old Line Life	60	—
Republic National Life	68	72 1/2
Southland Life	93	100
Southwestern Life	136	148
Travelers	82	84
United, Ill.	36	37 3/4
U.S. Life	42 3/4	45
Washington National	58	63
Wisconsin National Life	45	51

## Federal Employees Health Cover Bill Is Reported By Committee

WASHINGTON—The Senate committee on post office and civil service voted to report, with minor changes, the bill for government employees health benefits program.

mending a broader public relations program, a liberalization of some of the insignia restrictions, and a simplification of the qualification procedures.

### Aimed At Three Publics

The suggested public relations program would involve the Round Table's relationships with its own members, the life insurance business outside the MDRT, and the general public outside the life insurance business. Specific suggestions included development of a booklet containing a statement of the MDRT's purposes; addition of a public relations man to the headquarters staff at Chicago, and the issuance of an MDRT news bulletin as a means of improving the Round Table's communications with its members, with companies and with other MDRT publics.

The recommended easing of the insignia restrictions will be considered by the executive committee but will not be effective until and unless officially approved and announced.

Other events of the annual meeting, including the election of the executive committee for the 1960 Round Table, were covered in last week's issue.

## Continental Casualty Gives Nod To N. Y. Department A&S Rule

With the consent of Continental Casualty, a decree granting injunctive relief against the company has been entered into, ending the lawsuit involving credit A&S insurance brought on behalf of Superintendent Thacher of the New York department by Attorney General Lefkowitz.

The consent decree, effective July 10, ends the action begun last March, when the attorney general obtained an order requiring Continental Casualty to show cause why it should not be enjoined from selling credit A&S coverage without having secured department approval of rates and policy forms under the new credit insurance law which became effective Oct. 1.

In its statement explaining the decree, the department said, "The consent decree requires the company after July 10, to sell no policies of this sort in New York without first obtaining such approval from the insurance superintendent and provides for payment of costs by the company."

"The company, in addition to consenting to this decree, has agreed that it will construe outstanding policies issued on or after Oct. 1, 1958, as providing expanded benefits to bring them in line with the department's requirements under the new credit insurance statute. The company has also requested insurance department approval of revised forms and rates which it recently filed to comply with the new law."

John A. Henry, vice-president, secretary, general counsel Continental Casualty, expressed satisfaction with the ruling and described the settlement as "amicable."

## Polich Is President Of Jackson Agents' Assn.

Jackson (Mich.) Assn. of Life Underwriters has elected Edward Polich, Western & Southern Life, president. Also elected are Barron H. Clemens, Massachusetts Mutual, vice-president; Richard Pritt, Lincoln National, secretary, and John Finnigan, Metropolitan, treasurer.



president Union Central Life and general chairman of the committee; Howard Uible, business manager of the Cincinnati Public Library, which screened books received; Samuel J. Osborn, director of sales promotion Ohio National Life; Thomas Fischer, sales promotion Western & Southern, and Marshall Hunt, assistant vice-president Union Central. During campaign, more than 10,000 books were collected and sent to Chile, Honduras and Columbia.

The key to sound prospecting is that it should be regarded not as a way of doing business but as a service to the prospect, says Ralph K. Lindop, insurance consultant to Loyal Protective Life. His speech, which appears below in digested form, was given at the annual convention of International Assn. of A&H Underwriters at French Lick Springs, Ind., outlines his attitude toward the subject.

By RALPH K. LINDOP

To continue in this business, you must prospect properly. Prospecting is not a business procedure—it is rather a philosophy of life. What do I mean by this statement? I mean that you must so conduct yourself, especially your life as a purveyor of the truth to the American public, that this public has such a high opinion of you that it wants to share you with its friends those whom it thinks most of.

It must be emphasized that your client owes you nothing. Don't laugh at that statement off. It is one of the most philosophical of truths to drive into the brain of a new recruit in this business. The new man is constantly seeking to earn a living. With this frame of mind, there is a normal desire to be helped in earning a living, and believe me, this feeling can come close to being if you are not careful. No one respects a beggar.

### Client Owes You Nothing

Avoid the thought that anyone owes you anything—especially your client. He has just bought a policy from you. True, you have given him more than the value received but the fact remains that you have made a commission of your client. This is the way you make your living.

He owes you nothing for having solved the horrible problem of life, namely the cost of getting well when he is sick or hurt, because he will forever be thankful that he saw you at right at this point, he must be that he owes you nothing but that

(CONTINUED ON PAGE 23)

At the request of four life companies with home offices in Cincinnati, Mayor Donald Clancey signed a proclamation establishing the city's "Book Abroad" week. Looking on are members of the book collection campaign committee, from left, Loren Schraeder, vice-president Western Southern Life, and John A. Llo-





PETER MILANOVICH

Peter Milanovich is a graduate of Indiana State Teachers College, Terre Haute, Ind. He was a high school teacher before entering the life insurance business.

These are his earnings as reported to the Director of Internal Revenue.

1952 . . . . .	\$11,077.69
1954 . . . . .	12,909.15
1956 . . . . .	16,658.86
1958 . . . . .	18,301.83



## franklin specials break down resistance . . .

Greencastle, Indiana  
May 22, 1959

Mr. Francis J. O'Brien, Vice President  
Franklin Life Insurance Company  
Springfield, Illinois

Dear O'B:

For five years prior to joining the Franklin I represented another life insurance company. In my first full Franklin year my annual earnings were more than my annual income with the previous company . . . even after five years of accumulated renewals and deferred commissions!

When a man joins the Franklin Life after having represented another insurance company, there is an adjustment he must make in his thinking. This is so because he must accept the philosophy of Franklin Life's method of selling insurance. However, he soon realizes that by using the Franklin Insured Savings Plans, it is possible for him to sell much more a lot easier than with conventional insurance plans. The Franklin Specials break down the barrier of resistance that so many prospects put up towards regular insurance plans.

I am truly indebted to Regional Manager C. R. Willsey. It was he who made me realize the terrific potential for selling and making a substantial income that the Franklin Specials presented. By using the Franklin Specials I am able to put insurance in force in many homes where none would have been sold through the regular methods. Franklin Specials cause people to buy insurance that they normally wouldn't have purchased!

In my opinion, my progress with the Franklin Life has been nothing spectacular. Anyone who has a desire to improve his situation and is willing to work can attain substantial earnings with the Franklin Life Insurance Company.

Cordially yours,

Peter Milanovich

*An agent cannot long travel at a faster gait than the company he represents!*



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CHAS. E. BECKER, PRESIDENT      SPRINGFIELD, ILLINOIS

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Over Three Billion Dollars of Insurance in Force*



## Texas Agents Elect M. S. Bennett At Galveston Annual

Mutual funds and the questionable beneficence of government health insurance were subjects of speakers at Texas Assn. of Life Underwriters annual convention and sales congress at Galveston.

M. S. Bennett, Lincoln National, Fort Worth, was elected president, succeeding William T. Spencer, American National. Jack H. Russell, Ohio National Life, Corpus Christi, was named vice-president, and Harper H. Bass, Massachusetts Mutual, San Antonio, secretary-treasurer. Elected national committeeman was Hunter M. Jones, General American, Wichita Falls.

Too many people have fallen for that "Great American Dream"—that of getting rich quickly, Frederic M. Peirce, president General American Life, said in his discussion of mutual funds. Mr. Peirce spoke at the president's luncheon. There is no mystery concerning buying and selling common stocks. There is no guarantee of profits either, he said. He urged that mutual funds be kept in their proper place because they are not an estate builder, and he pointed out that no less an authority than Merrill Lynch, Pierce, Fenner & Smith had advised using caution in buying stocks.

Mr. Peirce then went on to describe in tender prose a life insurance policy. "The average man can overnight bring into being . . . a meaningful love letter. An insurance policy is a piece of paper until it is baptized with a widow's tears. It gives her new courage and the children a parental blessing. It is a third silent partner to a marriage so long as they live and thereafter."

Rookie of the year award was presented to James O. Thomas, American  
(CONTINUED ON PAGE 20)

## Small Groups Best A&S Market Right Now, Dewey Tells IAAHU

Marketing vistas opened up by more efficient methods of marketing small-group coverages were pictured for International Assn. of A&S Underwriters at the annual meeting at French Lick Springs, Ind., by Roger W. Dewey of the group department of Continental Assurance. Mr. Dewey spoke at the group insurance room hopping panel. His talk follows:

Small group appears to be the greatest present market, at least in the terms of number of cases and activity. By small group I am referring to cases covering 10 to 24 lives. Until recently, Continental offered only a few package plans to groups in this category. In doing so, we were following the pattern of most of the industry attempting to standardize and thereby reducing expenses.

This spring we revised our approach to small groups and opened our complete kit to this market. We are now willing to underwrite for this size group, any plan which we are willing to write for groups of 25 lives or more. Certain underwriting restrictions, of course, do prevail. We have adjusted our entire operation to this new approach and we feel that we can successfully handle it at no higher costs than we would on the previous package plan basis.

### Uses 'Cost Estimator'

In addition to our new underwriting philosophy, we have prepared a new sales tool for small groups which we call the group cost estimator. By the use of this estimator the broker or agent can quote quickly and easily, cost estimates for an almost unlimited number of plans. The estimator takes much of the mystery out of group rating and makes the average agent a group expert and also enables him to make quotations without the delay of

submitting to the home office for a formal proposal. It has just recently been released and we have had a marvelous response to it. Incidentally, the "estimator" works just as well on cases of 25 to about 100 lives as it does on the 10 to 24 life case.

In our new approach to small group, we follow a long established Continental principle namely, flexibility. I think the two key words in Continental underwriting of regular group and now small group are "flexibility" and "reasonable." We have always been willing to tailor-make our plan to fit the individual needs and desires of the clients and their agents. The only limitations upon this tailor-making has been the coverage desired must be of a reasonable nature and be sound. Continental offers a full line of group coverages including life, accidental death and dismemberment, A&S, hospital, and all its allied coverages, major medical, comprehensive major medical, long term disability, and special coverages for the retired.

### Renewal Underwriting Problem

During the past year, our major concern has been renewal and underwriting which, I believe, has been the case throughout the industry. Rising medical costs and increased utilization have in many cases skyrocketed the claims and as a result the premiums. Our entire organization, during the past year, has concentrated on trying to write and rewrite plans in a manner to take advantage of the profitable coverages such as life insurance, A&S, and supplemental major medical, and to minimize the losses inherent in hospitalization coverages and comprehensive major medical.

Emphasizing of the good coverages has been largely writing additional amounts of insurance thereby increasing the amount of profitable premium with which we could offset the unprofitable portions of our cases. The emphasizing of the unprofitable areas has been largely by imposing various restrictions in the coverage. In addition to this, we have recently assigned a physician who will devote the major portion of his time to ways and means of controlling medical costs.

### Will See Policyholders

In his efforts, he will not only do internal work in the way of analysis but he will also visit with our policyholders and work closely with the medical associations and hospitals. I believe the major point in all this is that Continental is attempting to adjust the business to a profitable basis not only by raising rates but by attempting to offset unprofitable premium with a greater portion of profitable premium and also by attempting to control claim costs.

Major medical I believe deserves a few special comments as a separate category. Supplemental major medical, by which we mean plans written over basic hospital programs or plans written with deductibles of \$500 or more, has been a very profitable area. On the other hand, comprehensive major medical has been a thorn in the side of nearly every company. A few years ago, we all looked to major medical as the salvation of the medical insurance business, for at last we were incorporating true insurance into our

(CONTINUED ON PAGE 20)

## Bad Times Ahead For Variable Annuity Buyers, Says Cameron

I personally cannot help but feel that starting from the present level of the stock market, a person beginning now to accumulate funds in a variable annuity maturing, say, 20 years from now, will experience many disappointing moments before his annuity begins."

This misgiving was voiced by John L. Cameron, president of Guardian Life, in his welcome address to the President's Club at the Grove Park Inn, Asheville, N. C.

### Questions Fortitude

Mr. Cameron also said that the variable annuitant "may even lack the fortitude to continue his regular premiums and sit out market declines to reach the pot of gold at the end of the rainbow when his maturing variable annuity will smoothly match the living costs of his retirement years. Certainly, few people buying such a policy in the 20s would have continued them through the next 20-year period to mature their policies."

On the other hand, Mr. Cameron said of life insurance that it "says in dollars what it will do, and does what it says."

Projecting his thinking ahead, he said if Guardian is among those companies which someday enter the variable annuity field, he said, "I hope it would by no means be an indication of the lack of faith in guaranteed dollar contracts."

In referring to public over-confidence in the future of equity investments, Mr. Cameron said, "Somebody has to be left holding the bag in any kind of speculative craze. In any kind of transaction, where large numbers of buyers buy with no knowledge of values, but only the expectation they will find someone who will pay them more than the thing they bought cost, someone finally must get stuck."

## Life Insurance Medicine Board Elects Dr. Larson

Dr. Albert L. Larson, Travelers, was elected vice-chairman of Board of Life Insurance Medicine at a meeting at Hot Springs, Va. He will complete the unexpired term of the late Dr. J. Randolph Beard.

Dr. John S. Pearson, American United, was elected secretary-treasurer, succeeding Dr. Paul H. Langner Jr., Provident Mutual.

## Levering Cartwright INSURANCE STOCKS

### Life-Fire-Casualty

### Cartwright, Valleau & Co.

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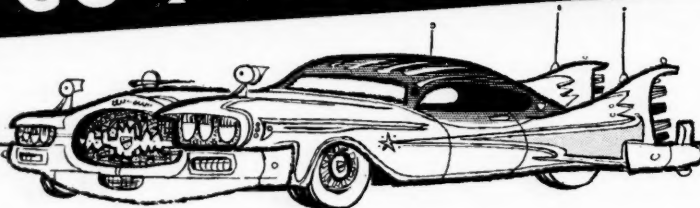
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BYRON C. JOHNSON, Agency Vice-President.



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Union Central President John A. Lloyd presented the Certificate of Achievement to Lacy E. Frantz at the Company's recent convention at the Americana Hotel in Florida. The Certificate read in part: "Based entirely upon progress made in Agency development, this award was won in open competition with all Union Central Agencies throughout the country."



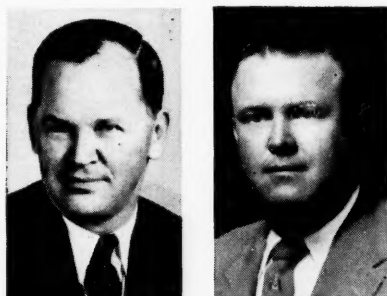
## LOUISVILLE Wins Agency Progress Award

Lacy E. Frantz, Louisville Manager of The Union Central Life Insurance Company, has earned one of the Company's highest recognitions. Last year, his agency was second among all agencies of the Company in competition for the distinguished Jerome Clark Award. Established in 1945 as a living memorial to one of the great men in the life insurance industry, this award is presented annually for outstanding accomplishment in agency development.

Mr. Frantz has been Manager of the Louisville Agency for the past 15 years, during which time the agency's insurance in force has more than doubled. He has increased his agency's annual rate of production almost seven times, and his 1958 sales topped the previous year by 60 per cent!

An acknowledged leader in the life insurance fraternity, Mr. Frantz is past president of the Louisville General Agents and Managers Association and past president of both the state and local Life Underwriters Associations. He is serving now in his 10th year as National Committeeman of the state association. Outside his business, he is an active participant in the Presbyterian Church and community fund drives, a member of the Masonic Order and member of the prominent Pendennis Club.

A sound administrator, dedicated to the principles of quality underwriting, Lacy E. Frantz rightfully deserves the prestige he has earned in his Company, in his community, and among the many clients he serves through life insurance.



"It takes teamwork," said Manager Frantz, "to win the Jerome Clark Award." Here are two members of his team who have made significant contributions to the agency's progress. At left is Virgil S. Steed, perennial qualifier for the Company's \$500,000 Club, who travels 34,000 miles a year along roads which ramble through 68 counties where he is known as Mr. Life Insurance. At right is James W. Nielsen, whose rapid success earned him membership in the \$500,000 Club during his second year with the agency.

THE UNION CENTRAL LIFE INSURANCE COMPANY • CINCINNATI

Security for the American Family since 1867

## July Marks D.L.B. Agent's Service's Silver Anniversary

With the July issue, the D.L.B. Agent's Service, published by the National Underwriter Co., marks its 25th anniversary.

The silver anniversary number is printed in silver ink on special paper and contains an account of the D.L.B. Agent's Service's founding as an aid to agents needing an authoritative

source of "what" and "how" in their work.

At that time the late Abner Thorp Jr. was editor of the D.L.B. department. Its associate editor, the late A. R. Jaqua, was appointed as the first editor of the Agent's Service. The present editor is Jack A. Duce.

### Knoxville Company Formed

A new life company—Sam Houston Life Insurance Co.—has been formed in Knoxville. Its charter has been approved by the secretary of state,

with 1 million \$3 par shares.

President of the company is Hayes Melson, former district manager of Tennessee Valley Life at Knoxville, who announced an incomplete roster of officers, including James P. Pope, attorney, former senator and former TVA director, as chairman; Elmer L. Cooke, judge of Lawrenceburg general sessions, as general counsel and vice-president, and C. K. Minton, former Nashville manager of Tennessee Valley Life, as a vice-president. Rev. A. Ray Meserve, pastor of the Knoxville First Congregational Church, is a director.

## No. Carolina Agents Endorse Hicklin For NALU Trustee

Edward M. Hicklin, manager at Burlington, N.C. of Occidental Life of



Edward M. Hicklin

North Carolina has been endorsed as a candidate for trustee of National Assn. of Life Underwriters by the North Carolina association and North Carolina Leaders Club. He is presently a trustee, having been elected at Dallas last year, and he is running for

two-year term.

Mr. Hicklin has been in life insurance for 12 years, the last seven as manager at Burlington. He has held all offices of his local and state associations, was state chairman of LUTC, state membership chairman and an organizer of North Carolina Leaders Club.

A member of NALU since he entered the business, he has been chairman of its committee on relations with trust officers and for the past two years has been area chairman of the membership committee.

### H. R. Kendall Estate Is Set At \$13,967,227

An estate of nearly \$14 million was left by H. R. Kendall, a founder and co-chairman of Washington National, who died in April of 1958. This was disclosed Monday in an inheritance tax return filed with County Clerk Edward Barrett at Chicago. The bulk of the estate consists of Washington National stock, the tax return showing that Mr. Kendall owned 287,711 shares, valued at \$45 per share, or a total of \$12,947,220.

About one third of the \$13,967,227 estate, or \$3,599,871 will go to board of hospitals and homes of the Methodist church to provide hospital care for Negro children and aged whites and Negroes. Charity will get a total of \$12,129,569, and another \$950,000 will be divided among 20 friends and relatives. The largest bequest in this category amounts to \$680,762, which will go to a nephew, Charles H. Kendall, executive vice-president of Washington National. A bequest of \$100,000 was made to Kendall College Evanston, Ill., which was named for the Kendall family, which had contributed substantially to it. The balance of the estate goes for state and federal taxes.

### Life Of N.A. Insurance In Force Passes \$200 Million

Life of North America's life insurance in force has passed the \$200-million mark, less than two years after it sold its first policy. Ordinary in force totals over \$97 million and group makes up the balance.

At the opening of new offices for Insurance Company of North America at 79 John Street, New York, Edmund L. Zalinski, executive vice-president of the life company, said that two-thirds of the total insurance in force was produced by general insurance agents.

The opening was also attended by John A. Diemand, president of Life of North America, and Bradford Smith Jr. and Herbert P. Stellwagen, both vice-presidents.

*Northwestern Mutual's  
point of view  
makes a difference...*

**We share the agents' belief  
that they get more  
out of an Annual Meeting  
they run themselves.**

*79th Annual Meeting of Agents, July 20, 21, 22—*

*Milwaukee, Wisconsin*

**T**HE ANNUAL MEETINGS of Northwestern Mutual Agents are unique in that they are planned and run by the agents themselves. This makes for a dynamic, down-to-earth program, dealing with subjects that are most important to the agents in their work.

This year's meeting will draw more than 1400 agents and their wives from every corner of the country. The Executive Committee of the Association of Agents in charge of the meeting includes:

John R. Mage	Dennis E. McTigue
Ben S. McGiveran	Lester A. Wilbert
Nathan H. Burgheim	Robert A. Files
R. Merle Palmer	Harold F. Vinson

**THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY**  
Milwaukee, Wisconsin

*safeguarding tomorrow*





## Defends Proper Balance Of Voluntary Retirement Plans And Social Security

Benjamin B. Kendrick, assistant director of research of Life Insurance Assn., at a meeting of the Colorado Public Health Assn. at Estes Park, defended maintaining the floor of protection concept in social security. While saying that he was not attacking the system as it exists today, Mr. Kendrick deplored the trend toward over-liberalization of benefits and the resultant increased taxes, which, he said, could easily lead to the destruction of the American version of social security. In his speech, which is condensed below, he calls for striking a balance between voluntary retirement plans and a modest social security system.



B. B. Kendrick

By BENJAMIN B. KENDRICK

During the past quarter-century, a tremendous amount of literature on the subject has come out; many capable people have devoted persistent efforts to solving problems connected with the aged and aging; and yet everyone would agree that much more remains to be done.

There are, as you know, a great many different types of problems affecting the aging and the aged. There are problems of health. There are problems of housing and home life. There are problems of interests and activities. Underlying all such problems is the question, "Where is the money coming from?" My remarks will deal almost entirely with this money question. It is a question which must be answered satisfactorily before other problems of aging can be effectively tackled.

As a key to solving the money question, the expression "advance planning" has won acceptance, particularly so far as the provision of adequate incomes for retired people is concerned. But advance planning by whom? Should government, through social security, do all the planning needed to make sure the retired aged will have suitable incomes? Or should the individual himself, perhaps with help from his employer, do some of the planning?

### All Kinds Of Security

Life insurance policies, pension plans, savings accounts, home ownership, and the like, fit in here, of course, as mechanisms or facilities through which families may build a portion of their own security on a voluntary basis.

Assuming it is agreed there is some place for voluntary effort in planning for retirement income, I would like to focus my remarks on the question of where the dividing line should come between compulsory government planning and voluntary family planning. Another question—to which I will return later—concerns that portion of the retirement income needed to pay for the family's health care. How is the planning job to be handled in this area?

The issue of how far social security should go toward maintaining the income levels of the retired aged is by no means hypothetical, abstract, or unimportant. It is a live, current issue;

and it is also an important, long-range issue.

Five times in the last nine years Congress has substantially liberalized the social security act; and further liberalization is sure to be considered seriously in 1960. What happens in 1960, in fact, may prove to be of critical importance in shaping the future

of social security in the United States. As yet, the government system provides benefits reasonably related to the idea of a basic floor of protection. As yet, the government system does not provide hospital or medical benefits. If 1960 should see another round of increases in the benefit level, it might mark the first definite step away from the floor-of-protection idea and toward the conversion of social security into a sort of uniform, compulsory, high-level, national pension plan.

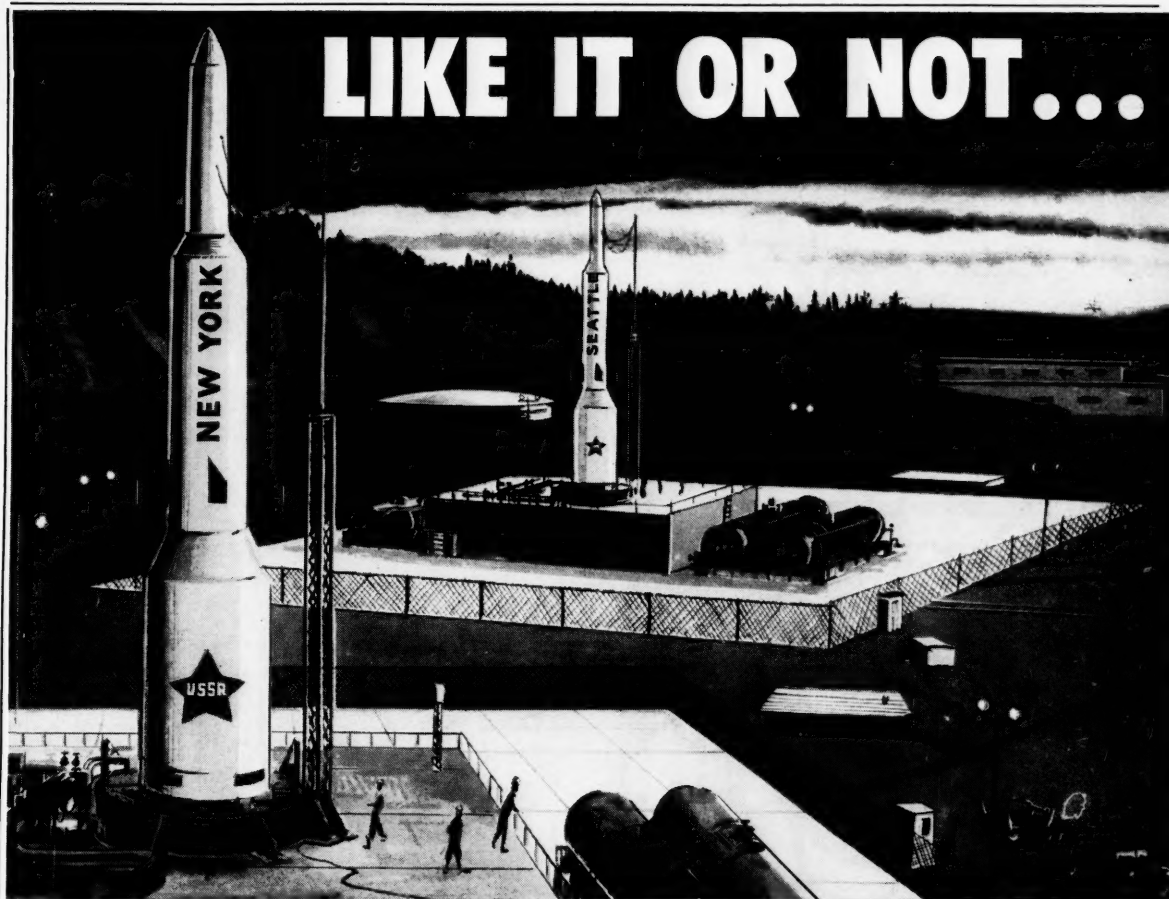
And if 1960 should see the enact-

ment of the so-called Forand proposals—to provide hospital and surgical benefits for social security beneficiaries—it might mark the first definite step toward a national system of compulsory health insurance. So some critical decisions may be close at hand.

### Serious Troubles Ahead

From a long-range standpoint, the choice we make on where to draw the line between compulsory social security on the one hand, and voluntary individual security on the other, can be

(CONTINUED ON PAGE 18)



## YOUR BEST SECURITY IS DEFENSE AGAINST THE UNEXPECTED

The long shadows of hostile missiles need not darken the lives of Americans — as long as a strong defense is always on the ready to parry unpredictable blows. This, too, is the formula for multiple-line service (including Life) now offered by the Security-Connecticut Group. Security-Connecticut continues to set the standards among modern insurers — now offers the convenience and the economy of "under one roof" service in *all* fields of insurance!

To our representatives, Security offers this brand-new booklet, "Insurance Protection in the Missile Era." Here's a fine mailer for your clients, a great door-opener for prospects. Dramatically illustrated, it contains every important missile in the U.S. arsenal, in full color, identified by name, mission and manufacturer — here's an item with tested consumer appeal that breaks all records! And — it's a treasure-trove of facts about up-to-date, streamlined insurance for every need, too! Fill out the handy coupon for your **FREE** booklets.



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## Payees Of Million In Benefits Honored At Hoyer Agency Dinner

Beneficiaries of the William B. Hoyer agency of John Hancock at Columbus, O., who have shared in life insurance benefits totaling a million dollars, were guests of honor at a dinner in Columbus.

John L. McCrea, retired vice-admiral and now client relations vice-president of John Hancock, defined the working out of the purposes of life

insurance in the hands of those who receive its benefits as the factor that animates the life insurance concept.

"Sometimes," he said, "those of us who are part of this operation fail to feel its heartbeat, although in the final analysis it is the story of life insurance. This story is seldom told because it is so deeply personal, so private that it is not always ours to

tell."

He then explained that the guests of the Hoyer agency, representing approximately a million dollars in John Hancock claims, had granted him permission to reveal their experience with life insurance payments.

He characterized these accounts as "only a sample, a small segment of the tremendous book that could be written if the work of life insurance were ever set down in terms of the individual accomplishments it has aided."

Stating that the anecdotes he re-

counted were not basically stories of life insurance, but documentaries of the lives of people who expressed their essential character and independence through their use of life insurance, he said: "The miracle of life insurance is not that it changes people's lives, but that it helps them to be what they are. These fine people who have graciously consented to allow us to unfold their stories of their personal experiences with life insurance would have worked out their destinies according to their characters. But I like to think that because of the security offered them by life insurance they have reached and are reaching more complete fulfillment of that destiny. If life insurance has a story to tell, this is it."

### Invalid For 20 Years

Among those present was a woman whose husband in 1926 paid one annual premium of \$981 on life insurance which included income disability. Nine months later he was stricken with a lingering ailment and for the next 20 years he lived as an invalid and his wife carried on, reared and educated their children. At his death 12 years ago, she had received \$60,750 in income and subsequently received a death benefit for the face amount of his life insurance.

Also present were the members of the family of a man who purchased the John Hancock's first employee retirement contract. On his death, his family not only received substantial personal benefits from his life insurance, but were able to take over control of the company because their father had provided for it through business life insurance. With them were several retired employees of the corporation receiving life incomes from that first John Hancock retirement contract.

### Aided Blind Boy

Not present, but so enthusiastic about his own use of life insurance benefits that he was anxious to have his story told, was a young man who was born blind and is now living in California. At the time of his birth, his grandfather, concerned with the fact that the boy would have special problems in dealing with his handicap, purchased \$50,000 of life insurance payable to the boy under an income option. The young man who has dealt bravely and skillfully with his handicap is self-supporting and has a family but he testifies that the extra income from his grandfather's life insurance made it possible for him to move to southern California away from the snow and ice of the Ohio winters, which had made it difficult for him to get around.

Others who spoke included Prof. John S. Bickley of the insurance department at Ohio State University, Lawrence B. Gilman, vice-president in charge of Hancock's claim department, and Margaret Divver, 2nd vice-president in charge of women's activities.

The Hoyer agency ranked first among the company's general agencies for May and ranked second nationally for the first five months. It was the leading agency for 1958.

### N. E. Claims Men Elect

At the annual meeting of New England Claim Assn. at Framingham, Mass., John J. Roth, Retail Credit Co., was elected president. Other officers elected were Ralph B. Coleman, Massachusetts Casualty, vice-president; Michael Corcoran Jr., New England Life, secretary, and Donald W. Bliss, New England Life, treasurer.



## The other side of Success

Immediate success in our business might be measured by how much life insurance we sell, by how much money we make. There is another side to success, however. This is the personal satisfaction we gain when we know we have worked hard not only to earn money but also to do a professional job for our client.

There are few fields today in which service cannot be performed more effectively with the help of advanced education. In life underwriting, the CLU program can prove invaluable.

This program not only helps us reach greater sales goals but also enables us to render truly professional service to our client by giving us a broad understanding of the economic, sociological, historical, tax and legal bases of the need for life insurance. There are different ways to gain this knowledge, but none are as effective or as satisfying as the CLU program.

If you have not started your CLU courses, talk with your general agent or manager, or write to Dean Herbert C. Graebner, American College of Life Underwriters, 3824 Walnut Street, Philadelphia 4, Pennsylvania.

**Connecticut Mutual Life**  
INSURANCE COMPANY • HARTFORD



## Ky. Central L.&A. Passes To Kincaid

Stockholders of Kentucky Central Life & Accident have been informed by Louisville Trust Co., escrow agents, that substantially more than 51% of the stock has been deposited with it as agent for the sale to Kentucky Finance Co. The \$250,000 required for Kentucky Finance Co. also has been deposited and the sale contract is now in effect. Balance of the purchase price is due to be paid by Kentucky Finance on or before Jan. 4, 1960.

The Kentucky Finance offer is to purchase all of the stock, with a minimum of 51%, at a price of \$115 a share.

### Another Offer Made

After the Kentucky Finance offer was made to stockholders, another one came in from Quaker City Life of Philadelphia, which offered \$116.50 a share, but Quaker City got into the Kentucky Central L.&A. picture too late, apparently, to influence the sale to Kentucky Finance. Just before it became known that the Kentucky Finance order had been closed, Quaker City, through Stein Bros. & Boyce, Louisville brokers, advised stockholders that if Kentucky Finance did not make the \$250,000 deposit by the deadline of July 2, they would still have a chance to accept the Quaker City offer which was to remain open until July 24.

The possibility is presented that Kentucky Finance, behind which is G. D. Kincaid of Lexington, banker, real estate operator and head of Cardinal Life of Louisville, could sell its stock to Quaker City and net \$1.50 a share on a minimum of 51,000 shares. Kentucky Finance reportedly has about 70,000 of the 100,000 shares of Kentucky Central.

It is understood that Mr. Kincaid will become president of Kentucky Central L.&A. on July 2, to succeed R. H. West, who will become chairman. Six of the current directors are slated to resign and will be replaced by Mr. Kincaid and five men he will name.

It is reported that Mr. Kincaid plans to split the Kentucky Central stock 10 for one and that he is making plans for the purchase of a fire and casualty company as a running-mate.

### Hold Hearing In O. On Dual Licensing

The Ohio department has completed hearings on its proposal to ban the licensing of a life agent as a securities salesman as well. Although the new department ruling would not permit dual licensing, Superintendent Stowell said he would reach a decision on the question by late July or early August. It is possible the matter will go to the courts.

### Principal Arguments Given

Principal arguments voiced at the hearing against dual licensing were the difficulty of an individual working for two companies, the alleged impossibility of keeping up to date in both fields, the possible confusion in the mind of the buyer between the guarantee of insurance and the equity of a mutual fund investment, the necessity of intensive training as an investment counsellor and/or life agent, the possibility of conflict of interest, and the belief among life people that selling life insurance is a full-time responsibility.

Those favoring dual licensing said

life agents, by virtue of their knowledge of the prospect's financial position and life insurance holdings, are the logical persons for the selling of limited amounts of securities. Dual operation permits better estate planning, it was contended, while permitting the salesman to serve his "one master," the customer, by adding to retirement funds with income based on economic conditions prevailing at the time of retirement.

Most supporters and opponents of the dual licensing practice questioned the authority of the department to establish a rule.

Mr. Stowell said there are about 45,000 licensed insurance and securities salesmen in Ohio altogether, of whom 25,000 are primarily in the life field. Approximately 600 of them have dual licenses.

### Toledo CLUs Elect Dwyer

Toledo chapter of CLU, has elected Joseph Dwyer, Columbus Mutual Life, president. Others elected are Paul E. Herbst, Northwestern Mutual Life, vice-president, and Gilbert Templeton, Metropolitan Life, secretary-treasurer.

## Insurance Stock Issues Registered With SEC

Several insurance company stock issues are currently in registration with SEC.

Academy Life of Denver filed 310,000 shares of 30 cent par value common stock for subscription by present stockholders on the basis of .525 shares of additional stock for each share held. The price is to be supplied by amendment. Presently Academy Life stock is 3 3/8 bid.

Bankers Preferred Life has sent a letter of notification to SEC of its intention to sell 100,000 shares of stock at \$3 per share.

Crusader Life of Kansas City, Kan., has sent a letter of notification of intention to offer 1,000 shares at \$50 par value stock for subscription by stockholders on the basis of one new share for each two held.

First National Life of Arizona filed 75,000 shares of \$4 par value stock. The price is \$12 per share.

Laymen Life of Anderson, Ind., sent a letter of notification on 60,000 shares of \$1 par value stock to be offered to

stockholders on a share for share basis. The stated price is \$5 per share.

Service Life of Fort Worth filed a letter of notification on 3,567 shares of \$1 par value stock at a price of \$18.75 per share, the proceeds going to a selling stockholder.

National Life & Casualty of Arizona filed 250,000 shares to be offered to holders of certain life policies issued prior to Dec. 31, 1955. The price is \$4.44 per share.

Producers Fire & Casualty of Mesa, Ariz., has filed 400,000 shares to be offered for subscription by holders of rights acquired in connection with life policies issued by Dependable Life and to certain agents and brokers of Producers F.&C. The price is \$5 per share.

### NALU Has 71,252 Members In June

Total membership of NALU on June 15 was 71,252, or approximately 1,500 ahead of total membership on the same date last year. Leading state association in percentage of membership gain is Louisiana, which has 102.7% of its 1959 quota. New Hampshire ranks second with 98.6%.

# Shielding Millions of Secure Americans



THE  
NATIONAL LIFE  
AND ACCIDENT  
INSURANCE COMPANY  
HOME OFFICE - NASHVILLE, TENNESSEE

## 300 At Meeting Of General American President's Club

Philosophies of successful selling were presented at the sales congress which was part of the annual meeting at Colorado Springs of the President's Club of General American Life. The meeting drew an attendance of 300, of which 113 were qualifiers.

The three-hour sales congress opened with an address by Vernon L. Woodrum, general agent at Akron, who said that three basic human weaknesses are responsible for the wide discrepancy between today's standard of living and tomorrow's security. Defining the weaknesses as recognition, conformity and wants, Mr. Woodrum suggested the agent could turn them to his own good by making them a guide to his market. Admitting that most agents believe the only way to sell is according to needs, he contended, "If you sell wants, you will

automatically take care of needs."

William D. Graham, St. Louis, recruit of the year in 1958, dissected the word work to spell out his own sales formula: W for willingness, O for organization, R for responsibility, and K for killer heart.

A third philosophy was outlined by Frank A. Gantt, Des Moines. "I believe a man will prosper in direct proportion to his contribution and that there is no way he can avoid prospering if he is a 'go-giver' in the true sense of the word."

A go-giver, Mr. Gantt explained,

gives his time, talents, efforts and energy "with an abundance of enthusiasm" to his church, family, business, community, friends and country.

Also on the business program were three panels which examined in detail the techniques and philosophies of different aspects of selling.

The first panel, which outlined the production story of the company's leading agency in 1958, was moderated by that agency's head, Adam Rosenthal of St. Louis. Describing some of the extras which help sell business life insurance was a panel moderated by S. J. Fisher Jr., general agent at San Antonio. The third panel, moderated by Louis P. Kruzick, general agent at Davenport, Ia., dealt with the profitable use of General American's newest products.

### Early Market Still Productive

Summing up at the end of the business session, Fred R. Sale, general agent at St. Louis, reminded his listeners of a market they must never overlook: "The ground I covered in the first few years is for the most part still producing crops which sell at the highest prices," he said. "Most of my business still comes from, or through old clients."

The convention program included a special session for agency management personnel in attendance, a meeting of the First Ladies Club attended by wives of qualifiers, and a Junior President's Club luncheon for 50 children of President's Club members. The convention was addressed by Superintendent C. Lawrence Leggett of Missouri and Commissioner Sam N. Beer of Colorado, in addition to company officers and club qualifiers. Serving as officers of the club on the basis of leadership in paid premiums in 1957 are Fred R. Sales, president, and Joseph S. Graves and Pierce Liberman, vice-presidents.

### Are Becoming Speculative Dollars

President Frederic M. Pierce called on the agents to face the fact that with many people, funds that should be savings dollars are becoming speculative dollars. "For the vast majority of people who can't realistically afford to be in the market, can it possibly have the emotional appeal of life insurance if the true role of life insurance is properly interpreted."

Mr. Peirce also addressed the First Ladies Club and paid tribute to the wives of General American's top agents. In the course of his remarks on the role of a life insurance wife, he outlined several ways in which a wife can be helpful to her agent-husband. He pointed out that the more a wife knows about the life insurance business, the better center of influence she can be for her husband in recognizing life insurance needs and helping him prospect, and the better influence she will be for stability and consistency of effort.

Frank Vesser, vice-president of agencies, described a new training and development program for agents. The program emphasizes the growing field of disability and income protection for individuals, recognizing the stability that is added to an agent's income when life commissions are bolstered by A&S renewals. It treats selling as a separate subject to drive home the importance of salesmanship as well as technical knowledge. It also covers business and group insurance and programming.

James J. Curro, New Orleans general agent, produced \$605,000 to lead Franklin Life during May.



# PICK OF THE CROP

## OHIO NATIONAL LIFE'S Pension Trust and Profit Sharing Plans

Coverage to \$10,000 on 10 lives or more and to \$20,000 on 25 lives or more on Guaranteed Issue basis.

- Regular Retirement Plan Endowment available, guaranteeing \$10 per month per \$1,000 insurance, 10 years Certain and Continuous.
- The New Special Life Rate Policy (male and female rates) makes calculations easier by providing exactly \$2.50 per month per \$1,000 at Age 65, at all ages of issue. Convertible up to \$20 per month per \$1,000 of insurance. Ideal for Split-Funding and Profit-Sharing.
- Post funded annuities. Graded death benefit policies available.
- Complete consulting service facilities—Plan design and proposal; sample indenture and tax filing forms prepared by Home Office.
- On combination plans, flexible methods of funding Auxiliary Fund.

Extremely low participating premiums per 1,000 for Male Lives:

Age	Life Rate Policy at 65		Retirement Plan Endowment at 65	
	\$5,000 Policy	\$10,000 Policy	\$5,000 Policy	\$10,000 Policy
25	16.86	16.41	32.14	31.69
35	23.19	22.74	47.15	46.70
45	35.40	34.95	77.71	77.26
55	65.03	64.58	168.82	168.37

Still further reductions for larger sized policies.  
Top commission scale — plus vested renewals on each case.

Let us prepare a proposal for you on your next Pension Trust or Profit Sharing Plan. Get the pick of the crop.

THE **Ohio National Life** INSURANCE COMPANY · CINCINNATI

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# Changes In The Field

## Prudential

Raymond W. Bender, actuarial director in the Minneapolis regional home office, has been transferred to the Newark home office where he will specialize in group pensions. He will be replaced at Minneapolis by Albion U. Jenkins Jr., who has been actuarial director at the Jacksonville regional

home office. With Prudential since 1941, Mr. Bender has been at Minneapolis since 1953. Mr. Jenkins joined the company in 1947. Both are fellows of Society of Actuaries.

## Massachusetts Mutual



Forbes S. Tuttle

Forbes S. Tuttle, supervisor at Syracuse since 1957, has been appointed general agent there to succeed Harry C. Copeland Jr., who recently was named general agent at New York. Mr. Tuttle joined Massachusetts Mutual at Syracuse in 1948. He is president of Syracuse Life Underwriters Assn. and immediate past president of the Syracuse chapter of American Society of CLU. Martin B. Breen has been named manager of the newly opened district office in south Buffalo. He has been with the White agency at Buffalo since 1954.

John K. Powell has been appointed assistant regional supervisor of mortgage loans and real estate at Dallas.

## Bankers Of Nebraska

Raymond Friedman has been appointed general agent at St. Louis. Formerly with Northwestern Mutual at St. Louis, he most recently has been a broker there.

## National Life Of Vermont

The Dillon agency at Atlanta has been incorporated and becomes the Dillon-Griffin agency with Harold T.



Harold T. Dillon



Warren S. Griffin

Dillon, general agent, as president; Warren S. Griffin, associate general agent, as vice-president and secretary and Evelyn M. Gray, office manager, as treasurer.

## Great-West Life

E. H. Bart Jr. has been named district manager at Chicago, S. E. English supervisor at Hartford, and D. H. Shafarman supervisor at Newark. Mr. Bart joined the company in 1957 as an agent at Chicago, and Mr. English has five years experience in life insurance. Mr. Shafarman joined the company in 1957.

## Connecticut General

Named group managers at New York are Steven L. Babits at the 41st Street branch and Eugene R. Bowler at the Broadway agency. Both are former assistant group managers. Appointed district group managers at Philadelphia and Buffalo, respective-

ly, are Robert J. Chase, former assistant group manager at Davenport, Ia., and Charles R. Wolff, group agent at Buffalo. Doyle D. Koone, group agent at Fort Worth, becomes assistant group manager there.

## Occidental Of California

Donald E. Forsyth has been appointed assistant manager at Detroit. He has been with Occidental since 1958 as assistant brokerage manager, and will be succeeded in that post by Warren B. Eller. Before joining the

company, Mr. Forsyth had been with London Life and Prudential at Windsor, Ont., for six years. Mr. Eller has been at Detroit with Northwestern Mutual for two years.

## John Hancock

Frank A. Crecca has been named district manager at Trenton to succeed Owen A. King, who has retired after 38 years with the company. Mr. Crecca, a CLU, joined John Hancock at Newark in 1945, was promoted to

(CONTINUED ON PAGE 14)



NEW HOME—ORLANDO, FLA.

NEW COMPANY—PROTECTIVE LIFE

NEW INCOME—\$3,886 EARNED IN 3 MONTHS



*J. Edward MacEachon — his success story is typical of many enjoyed by representatives of Protective Life.*

J. Edward MacEachon is a new resident of Orlando, Fla. He moved there in late 1958 with his wife and two sons. In the few months since then the whole family has fallen in love with Florida living.

Ed is also a new representative of Protective Life with the K. D. Cash Agency in Orlando. He joined Protective Life with 14 years' experience in the life insurance field, and an impressive record of production with other well known companies.

Ed joined Protective Life because it gave him the opportunity to live in Orlando, and because of his increased income earning potential. Since the move, Ed has almost doubled his earnings. During the first three months, he earned \$3,886.26 in commissions.

The MacEachons are happy in Orlando. Ed is happy in his association with Protective Life. The Company is pleased and proud to have Ed as a representative in the thriving Orlando vicinity.

The future looks bright for Ed MacEachon and his family.

*For Information about Protective Life General Agency opportunities, write Charles B. Barksdale, Agency Vice-President.*

# PROTECTIVE LIFE

William J. Rushton  
President

Serving the South  
Since 1907



Insurance Company

PROTECTIVE LIFE BUILDING  
BIRMINGHAM, ALABAMA

## Going places... with the West!

WEST COAST LIFE reports its fifty-third year of progress in providing greater security to forward-thinking western families and business.

### Highlights of 1958

Life Insurance in Force	\$622,223,221.00
Increase	\$40,179,007.00
Benefits Paid Since Organization	\$133,782,845.00
Increase	\$10,065,217.47
New Life Insurance Sales	\$90,125,977.00
Increase	\$33,932,520.00
Total Resources	\$85,236,247.37
Increase	\$4,691,169.79
Capital and Surplus Funds	\$9,709,523.12
Increase	\$1,074,370.08

Address agency building inquiries to Raymond Dexton, C.L.U., Vice President & Director of Agencies

**WEST COAST LIFE**  
INSURANCE COMPANY

Home Office • Market at Second Street • San Francisco







A gallery of eminently successful agents  
...the members of our Hall of Fame

Each of them has sold a million dollars or more of Ordinary in the New England Life during a calendar year. The photographs of these distinguished salesmen (reproduced here in small size) hang in the Hall of Fame which leads to the Agency Department in our Home Office.

**NEW ENGLAND**  
*Mutual* **LIFE** Insurance Company  
BOSTON, MASSACHUSETTS

THE COMPANY THAT FOUNDED MUTUAL LIFE INSURANCE IN AMERICA—1835

assistant district manager and in 1955 was appointed regional supervisor, administration.

Donald K. Higgins, assistant district manager at Hackensack, N.J., since 1957, becomes regional supervisor of field training. He joined John Hancock as an agent in 1952.

### Pan-American Life



James E. Devaney

James E. Devaney has been named general agent at Jacksonville, where he has been district manager of Union Central Life. He has been with Penn Mutual and Occidental of California, and from 1950 to 1955 was a Pan-American agent at Jacksonville.

### All American L.&C.

Dwight L. Mood has been appointed manager at Indianapolis. He has been manager there for Acacia Mutual

since 1955. Before that, from 1945, he was a general agent for Lafayette Life.

### North American Accident

Calvin J. Bridge and Ransom E. Strickland of Wilson, N.C., have been appointed regional sales directors for the eastern part of that state. Both were previously with Pacific Mutual Life.

Eugene C. Pierce, head of North Jersey Underwriters Agency, managing general agency at Newark, has been appointed general agent. He has been in insurance for 30 years.

### Monarch Life

Benjamin F. Hagan Jr., general agent at Boston for the past four years, has been named regional manager for New England with headquarters in Wellesley, Mass. He joined Monarch at Hartford in 1946 and became supervisor there in 1953.

New general agents appointed in Mr. Hagan's region are Edward G. Donnellan, Cambridge; Arthur B. Horton, Boston; Edward L. Juzenas, Brockton, Mass.; Warren B. Smith,

Wellesley, and Donald Stevenson, Providence. Mr. Donnellan was one of Monarch's leading producers in 1957 and 1958. Mr. Horton has been supervisor at Boston, and before that was with the New York agency. Mr. Juzenas has been a supervisor at Boston. Mr. Smith has been with Monarch since 1956. Mr. Stevenson has been a supervisor at Hartford since 1957.

### Lincoln National

Rodgers H. Cook has been appointed co-general agent of the Slane agency at Portland, Ore., R. R. Dunfee general agent at Dayton, Thomas J. Farrell general agent at Santa Rosa, Cal., Robert W. Jackson co-general agent of the Lawrence agency at San Antonio, and Robert A. Loos sole general agent at Pittsburgh.

Mr. Cook joined the company in 1954 and has been in supervisory work at



Rodgers H. Cook



Thomas J. Farrell



R. R. Dunfee

Oakland, Cal. Mr. Dunfee, who joined Lincoln National in 1952, has been a supervisor at the home office agency at Fort Wayne for the past year.

With the company since 1954, Mr. Farrell has been supervisor at Oakland.



Robert A. Loos



Robert W. Jackson

Mr. Jackson has been superintendent of agencies. In life insurance since 1953, Mr. Loos went with Lincoln National in 1956 and became general agent in partnership with Richard P. Tinkham at Pittsburgh a year later. Mr. Tinkham will continue in personal production.

Graham Hopkins, general agent at Dayton, is retiring and will devote his time to personal production. He has been general agent for 13 years.



Graham Hopkins

### Great Southern Life

William L. Miller has been named manager of the company's first California office, to be located in Los Angeles. He has been in charge of Great Southern's Gulf Freeway agency in suburban Houston since 1956,

at which location he will be succeeded by John W. Brittain. Mr. Brittain has been with the company since 1956.

A third Louisiana agency has been opened with Lawrence I. Kiern as manager.

William B. Curtis, formerly assistant manager of the South Plains agency at Lubbock, has been named manager of the El Paso agency, succeeding Irvin S. Cobb, resigned.

### Connecticut Mutual Life

J. S. Rowdy Sanger, district supervisor at Tulsa since 1956, has been appointed general agent of the newly opened agency there. He joined the company in 1953.

### California Life

A regional office has been opened at Chicago with Gustave E. Gadness as manager. Mr. Gadness will have charge of Illinois, Indiana and Missouri with offices at 134 North La Salle Street. He has been for three years an executive with Lake Mortgage Insurance Agency of Gary. He entered insurance in 1946 as field agency director of Continental Assurance. Before going with Lake Mortgage he was with Joseph Dennis Co. of Chicago as vice-president.



G. E. Gadness

### Independence Life, Cal.

Raymond B. Bronson has been appointed northern California manager. He has had 10 years of experience in the life business and was a brokerage manager before joining Independence Life. His headquarters will be at San Jose.

### Aid Assn. For Lutherans

Ernest A. Weick has been appointed general agent at Bismarck, N.D., serving Montana and North Dakota. He has been district agent at Twin Falls, Ida., since 1955.

### North American Re

Roy D. Anderson has been named assistant secretary with headquarters at the southern office in Dallas.

### Berkshire Life

Irving J. Goldberg has been appointed brokerage supervisor of the Jarosz agency at Springfield, Mass.

### Pacific Mutual

U. R. Kendree Jr. has been appointed manager at San Jose. With the company since 1955, he was assistant manager at San Francisco.

### Mutual Of New York

Robert G. Gerhard has been appointed assistant group and pension specialist at Denver. He has been a group agent of Prudential there.

FEDERAL L.&C. has promoted W. A. Powell to chief underwriter, A&S; C. Fraser to chief underwriter; George Monaghan to senior underwriter, A&S; and Robert L. Wells to senior underwriter, life.

PACIFIC FIDELITY LIFE has appointed Don C. Hunter manager at Covina, Cal.

The Rosenthal agency of St. Louis led General American Life agencies in individual life sales during May.

No. 7 in an enlightening series of 12 Broker-Type personalities.



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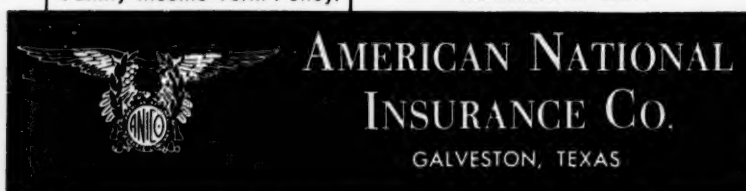
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# Home Office Changes

## Northwestern Mutual



Edward G. Newcomb

In last week's issue reporting the promotion of Edward G. Newcomb to superintendent of agencies, the wrong name was used under Mr. Newcomb's picture. The correct name and picture are printed here-with.

## Equitable Society

In a program of reorganization, the medical department's five bureaus will be consolidated into three—a bureau of insurance medicine with Dr. Whitman M. Reynolds as medical director; a bureau of medical services headed by Dr. Thomas H. Alphin, former associate medical director of the bureau of industrial health, and a bureau of public health, which remains under Howard Ennes. The bureau of medical services will consist of three divisions—diagnostic services, under Dr. Richard S. Gubner; medical claims consultation, headed by Dr. William J. McNamara, and the Equitable employees' health center, which continues under the direction of Dr. Thomas H. Deely.

## Atlantic Life

James W. Childrey, agency secretary since 1944, has been promoted to director of agency administration. He joined Atlantic in 1927 and has also been chairman and secretary of Southern Round Table of Life Insurance Advertisers Assn.



James W. Childrey

## New York Life

Dr. Edson E. Getman, medical director since 1952, has been named chief medical director and 2nd vice-president to succeed Dr. William Bolt, who recently began pre-retirement leave. He joined New York Life in 1927, became assistant medical director in 1937 and associate medical director in 1946.

## Life & Casualty

Price F. Carney, assistant secretary, has been promoted to secretary to succeed E. R. Derryberry, who is retiring after more than 40 years with the company to become president of the newly formed American Educational Life Insurance Co. at Nashville. Mr. Carney joined Life & Casualty in 1937.

## National Fidelity

Kemp W. Wood has been appointed vice-president and director of agencies to succeed Wylie Craig, who has joined another company. Mr. Wood went with National Fidelity in 1946 and became vice-president in 1950. In 1953, he was elected a director.

## Standard Of Oregon

John F. Hook has been appointed vice-president and actuary. He is a fellow of Society of Actuaries.

## Metropolitan Life

William S. York, assistant controller, has been appointed 2nd vice-president in charge of the application of electronic equipment to the company's operations. He has been with Metropolitan since 1932 and an officer since 1945.

Dr. William P. Shepard, former medical director, becomes chief medical director. He has been with the company since 1926.

Medical directors named are Dr. Rexford W. Finegan, Dr. Joseph C. Horan, Dr. K. Jefferson Thomson, Dr. C. Coleman Berwick, and Dr. Wallace Troup.

Norman H. Golding has been appointed assistant vice-president in the office of the administrative vice-president.

## Aetna Life

J. E. Griffith Jr., vice-president, group division, has retired after 42 years with Aetna Life. He joined the group division in 1917, became assistant vice-president in 1947 and vice-president in 1952.

## Provident Mutual

Everett T. Allen Jr., former manager of the group pension department, has been appointed manager of the new pension plans department. Walter E. Lehmann, head of group pension underwriting, becomes assistant manager of the new department.

## Commonwealth Life

Assistant Actuaries John English and Lloyd Johnson have been promoted to associate actuaries. Mr. English joined Commonwealth in 1956 and Mr. Johnson in 1951. Both are associates of Society of Actuaries.

## Fidelity Mutual Life

Dr. Alfred M. Sellers has been appointed medical consultant for the home office medical department. He is an associate in medicine at the University of Pennsylvania.

## Republic National

Glen E. Riley has been promoted to senior underwriter. He joined the company in 1956.

**SOUTHERN HERITAGE LIFE** has appointed R. L. Dodson, former regional director for Louisiana, its first agency director. He has also been general agent of Guardian Life at Shreveport and district manager of American General Life.

**FARMERS & TRADERS LIFE** has appointed Ross B. Sweet as secretary-treasurer, effective Aug. 1. He has been executive vice-president and cashier of Unadilla (N.Y.) National Bank.

**UNITED AMERICAN LIFE**—Darrel G. Hinkle has been named agency director. He has been superintendent of agents for Colorado, South Dakota, Wyoming, Kansas and Nebraska for the past two years.

**PRAETORIAN MUTUAL LIFE** of Dallas has elected Joe Agee, senior vice-president of First National Bank, a director.

**COASTAL STATES LIFE** has elected Jesse Draper, Atlanta real estate man and investor, a director.

memo to home  
office executives

## The Substandard Risk—Hidden Profit Opportunity?

Many life companies seem to shy away from substandard risks. Yet these risks can prove profitable, if they can be safely covered. And they are most likely to become valuable "good will ambassadors" for the company that insures them.

Because North American is in life reinsurance exclusively, we are constantly exposed to impaired risks in large numbers and wide degree. This fact has produced experience in substandard risk underwriting which can prove invaluable to the life company with a borderline case on its hands. North American's position in evaluating substandard business is this strong—*we will reinsure cases rated up to 500% on an automatic basis and cases rated up to 1000% on a facultative basis.*

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## Editorial Comment

### Distrust The Easy Sale

"My feeling is that of late we have tended to overemphasize the new or the novel, that we have tended to downgrade our market, to make it so easy or painless to buy that we have lowered the esteem or respect of the individual for the life insurance contract that he owns. He doesn't have to put enough of himself and his affairs into it, he doesn't take the pride in it that he should. The valued life insurance contract is the one that takes sacrifice on the part of the owner and skill and great persuasion on the part of the underwriter. It represents challenge, not the easy way."

That statement, made by Chairman Edmund Fitzgerald of Northwestern Mutual Life in the course of a talk at the annual meeting of the Million Dollar Round Table last week, is a needed reminder of something that is likely to be overlooked. The apple that's too easy to slice is probably rotten. The bolt that turns too easily has probably stripped its threads. And the life insurance sale that's too easy should be suspected as being against the basic nature of life insurance selling.

Life insurance policies have been improved, modernized, streamlined, and fitted with all the gimmicks and appurtenances that active and fertile brains can come up with. Some of these improvements are real. Probably most of them are. But none of them alter the fact that buying life insurance takes money away from present pleasurable pursuits and sets it aside against future needs of the buyer.

This process is abhorrent to the nor-

mally selfish impulses of the buyer. The spiritual force necessary to overcome these impulses can be omitted from the sale only at the risk of the policy's persistence. If the buyer has merely been bedazzled by a super-gimmicked policy sold as a tax-shrinker or inflation-beater he is quite likely to feel disillusioned as soon as it doesn't appear to be quite all that it was cracked up to be.

Nobody took the trouble to find out whether this buyer had a real conviction as to why he was buying life insurance. The poor fellow was allowed to believe that at last life insurance buying had been made easy. The salesman didn't have to struggle to overcome the man's reluctance, because the reluctance had been numbed—but only temporarily—by the superficial appeal of considerations that should have been seen for what they were—purely secondary to the basic purpose of sacrificing today's fund to tomorrow's needs.

People sometimes get married for ill-considered and frivolous reasons. Many of these marriages persist but they are a poor bet compared to those between couples who have some concept of the seriousness of what they are doing and are determined to make a go of it. And the life insurance policy that a man buys without a full realization of the obligation he is taking on, without a real understanding of why he is doing it, and without a sincere determination to keep it in force is not a very good bet for survival.

—R.B.M.

### Milestone For D.L.B. Agent's Service

This month the D.L.B. Agent's Service, published by the National Underwriter Co., marks its silver anniversary. During its quarter-century, the Agent's Service has been a guiding light for thousands of agents and has helped sell countless millions of dollars of life insurance. It has served the fraternity of life insurance agents well and faithfully.

The style and format have changed from time to time to keep pace with changing styles in the business. But the primary purpose for which the D.L.B. Agent's Service was designed has never wavered: to provide an authoritative and handy source of "what" and "how" for all agents in all stages of their careers.

In the first issue, July, 1934, Abner Thorp Jr., then editor of the D.L.B. department, made this comment: "In this service we shall scour the field for the best usable selling ideas which we shall send to you each month so that you may have constantly at your fingertips the kind of inspirational and practical help which you most need."

In the same issue A. R. Jaqua, then associate editor of the D.L.B. department, who was the D.L.B. Agent's Service's first editor, added these remarks: "Its sole purpose is to furnish economical transportation to the agent

who wants to do a little better than make his leaders' club each year. If each subscriber receives only one idea a year that really produces for him, it will be worth while."

Successive editors have maintained the same high purpose and quality of the D.L.B. Agent's Service, earning the support of the thousands of subscribers who, in the course of a quarter-century have come to look to it for the best and fastest source of the type of help it provides.—R.B.M.

## Personals

**Seymour Graiver**, manager of Northeastern Life's tabulating department, has been elected president of the Westchester (N.Y.) chapter of the National Machine Accountants Assn.

**Quaife M. Ward**, executive director of the Million Dollar Round Table, has been elected to a four-year term as a member of Evanston city council.

**H. Bruce Palmer**, president of Mutual Benefit Life, has been named a member of the nominating committee of the U.S. Chamber of Commerce.

## Deaths

**THOMAS M. SCOTT**, 77, agent of Penn Mutual at Philadelphia for more than 50 years, died at his home in Wynnewood. He was a past president of Philadelphia Life Insurance & Trust Council.

### Good Life Agent Has Little Time For Other Specialties: Steinberg

**B. William Steinberg**, general agent of Massachusetts Mutual at New York,

in his acceptance speech as president of the New York City chapter of American Society of CLU, said that the really professional agent, in order to render the best service to his clients, has little time for the intricacies of other specialties.

In an obvious reference to mutual fund sales by life agents, Mr. Steinberg warned that many agents, desiring to render a complete service, "are becoming prey for other fields of endeavor to sell other products and other needs."

Mr. Steinberg reminded his audience, "In 1954, NALU and the National Assn. of Investment Companies developed a statement of principles, in which each group recognized the needs and functions of the other. They also stated that the insurance man should handle the insurance sale; the investment man, the fund sale, and that neither should handle both sales."

#### Chapter Elections

Mr. Steinberg was elected president of the chapter at the annual luncheon at the New York University Club. He has been public relations vice-president of the chapter.

Other officers elected were Gerald D. Good, Equitable Society, executive vice-president; A. Leslie Leonard, Insurance Society of New York, educational vice-president; Leona Seldow, Mutual Trust Life, public relations vice-president; Alfred Cranwill, Institute of Life Insurance, treasurer, and Wilbur Neustein, Prudential, secretary.

Elected directors were Howard J. Rosan, Continental Assurance; Donald L. Shepherd, Equitable of Iowa, and Richard W. Bandfield Home Life of New York.

### Smith Asks For Power To Regulate Credit Coverage

**HARRISBURG**—Commissioner Smith has asked the legislature now in session to give his department regulatory power over credit life and A&S coverage.

Saying that profits among credit insurance companies "run as high as 2,800%," the commissioner declared that Pennsylvania is becoming a haven for "unscrupulous" operators in this unregulated field.

He said that rates per \$100 of coverage range from 40 cents to \$2, adding, "when rates vary to that degree, something is wrong. It needs looking into and supervision by the state."

**Aid Assn. for Lutherans** has been licensed in Massachusetts.



B. W. Steinberg

## The NATIONAL UNDERWRITER



The National Weekly Newspaper of Life Insurance

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**DES MOINES 9, IOWA**—327 Insurance Exchange Bldg., Tel. Atlantic 2-5966. David Chapman, Resident Manager.

**DETROIT 26, MICH.**—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

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**MINNEAPOLIS 2, MINN.**—1038 Northwestern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

**NEW YORK 38, N. Y.**—17 John St., Room 1401, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

**PHILADELPHIA 9, PA.**—123 S. Broad St., Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

**ST. LOUIS 2, MO.**—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgenuth, Resident Manager.

**SAN FRANCISCO 4, CAL.**—382 Market St., Tel. Exbrook 2-3054. Robert L. McMullen, Pacific Coast Manager.

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July 4, 1959

## N.Y.C. Blue Offered 26.5% Rate Increase; Had Applied For 34.2%

NEW YORK—The New York department has turned down Associated Hospital Service's application for an average 34.2% rate increase, but authorized a 26.5% boost if the Blue Cross plan amends its petition to accept the lower figure. If Blue Cross agrees, the new rates can become effective Sept. 1.

Harry Seasan, vice-president of the plan, said he was not satisfied with the ruling, adding, "It is my opinion this increase will not be adequate to carry us through to the end of 1960, if we are to meet increased payments that the hospitals will need to render service to our subscribers."

It is believed, however, that the plan will amend its application.

Charles Garside, president and chairman of Blue Cross here, said at a hearing last month, that in spite of the 22.3% increase the plan received last year, income in the first three months was more than \$5 million short of operating and legal reserve requirements.

## Ohio State Life Has New Policy Series

Ohio State Life has introduced a series of non-participating policies and riders—life paid-up at 90 (minimum \$10,000); life paid-up at 95 (minimum \$25,000); five year convertible and renewable term (minimum \$10,000); and an income policy issued in units of \$10 per month at terms varying from 10 to 50 years, but not to extend beyond age 70. New riders introduced are extra protection, income protector and insured insurability riders.

A new participating policy is the executive builder, issued in minimum amounts of \$15,000. This policy is a special endowment at age 90 with high early cash values. The full cash value is paid in addition to the face amount in event of death during the first 20 years or before age 65, if earlier. It also guarantees an option on new insurance without evidence of insurability at the end of 20 years or at age 65 if earlier, for an amount up to the cash value at that time.

## James Comstock Heads Indianapolis GA Assn.

James Comstock of American United has been elected president of General Agents & Managers Assn. of Indianapolis at the annual meeting and outing at Lebanon. Also elected are Richard Pratt, Connecticut General, vice-president; Hilbert Rust, Insurance R.&R., secretary, and G. William Eppley, Prudential, treasurer.

## Harrisburg Blue Cross Gets 28.6% Rate Rise

HARRISBURG—A 28.6% rate increase for about 75% of the 700,000 subscribers of Capital Hospital Service (Blue Cross) has been approved by the department effective Aug. 1. Commissioner Smith said he approved the full rate rise applied for by Blue Cross in order to prevent a financial collapse of the plan.

This is the second rate increase for Blue Cross since June, 1958, when the commissioner approved a 19.5% rate hike.

Additional services under the new rates include visiting nurses for post-hospital care for persons over age 65.

## Calls Life Insurance Best Economic Buy, Despite Inflation

Claims that probable future inflation makes other forms of investment preferable to life insurance are unsubstantiated and should not be relied on by the average family man, some 200 agents attending the convention of Southwestern Life in New Orleans were told by Arthur R. Upgren, director of the bureau of economic studies at Macalester College in St. Paul. "These claims can be dangerous as a guide to wise policy for the family wishing to establish economic protection for all of its members," Mr. Upgren said. He is former dean of the school of business administration at Dartmouth College and was the principal speaker at the convention's closing business session.

Common stocks have a place in an investment program of a family with a growing income, but prior to embarking upon such investments should come an adequate program of life insurance. This is the only way in which in the earlier years' protection can be provided in amounts greatly in excess of funds available, Mr. Upgren said.

The average family income in the U.S. has risen from \$4,130 in 1947 to \$6,130 in 1957. This will continue to a level of about \$7,130 in 1965. All of this rise can occur without inflation, and yet can serve to finance an adequate life insurance program for the average family, according to Mr. Upgren.

## Detroit Agents Elect F. W. Howland President

Frank W. Howland, Massachusetts Mutual, has been elected president of Detroit Life Underwriters Assn. Other officers are Clare E. Cronkright, and E. Joseph Gryson, Connecticut General, vice-presidents; Austin A. Kanter, secretary, and E. H. Meyers Jr., Fidelity Mutual Life, treasurer.

A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, past president of NALU, spoke at the meeting. He predicted a rosy future for agents, explaining that there will be a tremendous increase in the market and only a 30% increase in manpower to service this market.

## Occidental Of Cal. Presents Group Awards

Achievement awards were presented at the biennial group seminar of Occidental Life of California at Disneyland.

Maurice Machanich, Cleveland regional group manager, won the grand quality award, the highest group honor. Regional Group Managers Frank Stoltze at Los Angeles and R. David Wiest, Kansas City, received divisional achievement plaques. Claude Hartley, Los Angeles; A. J. Occhipinti, New Orleans, and George Fenzel, Pittsburgh, were runners-up and received merit certificates.

## Elect Campbell To Head Canadian Actuaries

Canadian Assn. of Actuaries, at the annual meeting at London, Ont., elected Lachlan Campbell, Sun Life of Canada, president.

Other officers elected are B. R. Power, Canadian Life Insurance Officers Assn., vice-president; R. C. Dowsett, Crown Life, secretary; and Muriel Mudie, Confederation Life, treasurer.

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Agency Vice-President

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## Defends Balance Of Voluntary Retirement, Social Security

(CONTINUED FROM PAGE 7)

of great national importance. The quest for security is somewhat like the pursuit of happiness. Those excessively preoccupied with finding happiness seldom do. Similarly, when the prime motivating force of a society becomes the quest for security—serious troubles loom ahead.

Perhaps some may question the thought I am implying: That there is a dangerous tendency for government social security programs to go too far. True, we may not yet have gone too far in social security in the United States. Yet the repeated benefit increases of the past are a matter of record, and the demands for further liberalization are audible and insistent. If this trend continues, then at some point, later if not sooner, we will surely reach a stage of over-liberalization.

### Tax Increases Deferred

What causes this tendency toward over-expanded social security? As a first, concise answer, the trend in this country stems mainly from the fact

that benefit liberalizations have an immediate impact on the public's consciousness, while the impact of the required tax increases is deferred. I wonder how many Americans realize, for instance, that social security taxes for people earning \$4,800 or more, were \$94.50 last year, are \$120 for 1959, and will go on up by steps to \$216 in 1969 and thereafter.

These figures, I should emphasize, are employee taxes that are required to pay for benefits now in the law. For the self-employed, the taxes are scheduled to reach \$324 annually. And if the benefit provisions should be liberalized in any way, then still higher taxes would be needed. Social security taxes, as a matter of fact, are coming to be more onerous than income tax for millions of people.

I feel quite sure that most of us simply do not know that these higher taxes are coming and essential to pay for the benefits already provided by law. We have a much better appreciation of the benefits provisions. So, the

consequent fact that social security seems much cheaper to most people than it actually is, is one way of explaining the trend toward over-liberalization.

### Beveridge Report

I believe, though, that there is a more fundamental explanation of the trend toward over-expanded social security—something I have already hinted at.

Let me read you now a very brief excerpt from the renowned Beveridge report, Social Insurance and Allied Services:

"... to give by compulsory insurance more than is needed for subsistence is an unnecessary interference with individual responsibilities. More can be given only by taking more in contributions or taxation. That means departing from the principle of a national minimum above which citizens shall spend their money freely and adopting instead the principle of regulating the lives of individuals by law."

We may well take those words to heart.

I would like to make sure I am being absolutely clear on two points that are of major importance.

First, I would like to emphasize that nothing I have said or will say is meant as an attack on the social security system of the United States, as it exists today, or on the normal human desire for security. A modest social security system, aimed at providing a basic floor of protection, can perform a most useful function. It can do a different sort of job than the job voluntary enterprise is organized and equipped to do.

While I would not have framed the American social security system just as it now exists, it is still relatively modest, as I have already suggested. I think the American system is at present doing a useful job, quite effectively. The danger I have been talking about is the perilous tendency toward over-expansion of the system.

Similarly, I am certainly not attacking the normal human desire for security. The life insurance business, in fact, is devoted to serving that desire. What I am talking about is excessive preoccupation with security. And such preoccupation is much more likely to manifest itself in political demands for more and more governmental social security than in miserly behavior on the part of individuals.

That brings me to the second point on which I would like to be absolutely clear: There are vital differences—three, at least, which I will mention between voluntary provisions for retirement income on the one hand, and governmental programs of social security on the other.

### Freedom Of Choice

First, as the word "voluntary" implies, the individual who is building his own retirement income security has a freedom of choice to do so in a way that best meets his needs and desires—the resulting tailor-made suit, so to speak, contrasting markedly with the ready-made suit that social security furnishes everyone through a law applying uniformly to all.

Second, and more important, it is characteristic of voluntary savings, insurance, and home-ownership that each family builds its own retirement security. Social security, by contrast, necessarily operates on a so-called pay-as-you-go basis. And pay-as-you-go, I may explain, is an expression which means that young Peter's taxes

are promptly used to pay old Paul's benefits.

Viewed from another angle, pay-as-you-go is an expression reflecting the fact that there is about \$21 billion in the social security trust funds, while the unfunded accrued liabilities are about \$300 billion. When young Peter grows old, his benefits cannot come in any significant way from the relatively small contingency reserve in the trust funds; his benefits will have to come from taxes paid by Paul Jr.—a child now who will be working then.

### Not An Attack

Again, I am not attacking social security—just explaining how the system necessarily works. My point is that, generally speaking, a man provides his own retirement income when he does it voluntarily, whereas social security forces one man to provide another man's security. Because this is so, the dangers of over-expansion and over-development are much greater in public measures than when voluntary means are relied on.

The third, and most important, distinction between voluntary and compulsory provisions concerns the fact that the voluntary methods normally involve an important element of advance savings, while the compulsory government methods normally do not involve much if any saving. In this regard, let me read you some excerpts from the report to the British Parliament made a few years ago by the distinguished Phillips commission:

### No Burden On Community

"Under private pension scheme there need be no ultimate burden on the rest of the community since the contributions made under these schemes are usually paid into a fund which, on investment, yields an additional stream of income to meet the cost in benefits. . . . In effect, therefore, a private person who provides directly or indirectly, funds that are invested on his behalf, makes provision for his maintenance at some future time by inducing or allowing someone else to contract the obligation to maintain him. . . ."

"Under the national insurance scheme there is no similar equivalence between the payments made by individual contributors and the benefit that they will ultimately receive, and no investment of the one so that it will fructify in the other. The burden of state pensions is met, not out of past savings made collectively by the pensioners, but out of current earnings. . . . The transfers impose a burden on taxpayers and contributors for the benefit of those who draw pension. . . ."

To sum up the three important advantages of voluntary provisions for retirement over compulsory social security: First, voluntary provisions better meet the needs and desires of the individuals involved. Second, over-expansion and over-development of social security are less likely. Third, the economic burden on the community is reduced or eliminated.

At the outset I mentioned I would

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like to say a few words about financing the health care needed by the aged and the aging. The Forand plan of providing hospital and surgical benefits for social security beneficiaries is of serious concern to companies issuing life and health insurance. As I mentioned, we believe Forand-type legislation would simply be an entering wedge toward a complete national system of compulsory health insurance, which would effectively destroy voluntary health insurance.

In this regard let me explain that, while voluntarily provided retirement incomes can readily be superimposed on modest cash benefits paid by social security, voluntary health insurance could not ordinarily be written on top of the service benefits of a government system. One either takes the specific service the government offers, or he pays the entire cost of purchasing an alternative service himself, directly or through insurance. Few people would have the resources or the desire to pay for alternative services after already paying compulsory taxes for the government services.

#### Progress Report

A second point I would like to stress is that voluntary insurance has been making great progress lately in extending coverage to the aged. In recent years, according to the director of information and research of Health Insurance Association of America, J. F. Follmann Jr., the number of aged persons owning voluntary health insurance has increased by about 3% annually. At present, about 45% of the aged already have voluntary health insurance. This represents about 60% of those who both need and want voluntary health insurance.

The only other thing I would like to say about this Forand question is that the insurance company men I come in contact with every day are fully confident that, given a reasonable period of time, they will fully and satisfactorily solve the problem of providing suitable voluntary health insurance for the aged.

In conclusion, let me note the unfor-

tunate tendency for those who urge continual, rapid expansion of social security to be considered its friends. Those who oppose the recurrent proposals for broad expansion are apt to be considered unfriendly to the whole idea of social security.

Actually, the opposite is probably nearer the truth. In the long run, over-expansion more than anything else is likely to discredit social security in the eyes of the American people. The higher and ever-higher payroll taxes that would be necessary in the course of time to support both over-liberalized cash benefits and health-service benefits would surely lead to disillusionment.

Conversely, increasing public satisfaction in the coming years can be had if a proper balance is maintained in plans for retirement income maintenance. As I see it, this means cash social security benefits on a floor-of-protection level, with supplementation available through voluntary mechanisms. So far as health expenses are concerned, companies issuing voluntary health insurance should have a reasonable breathing spell to make such insurance available to all who need and want it. And when the retirement income problem is effectively solved, more rapid progress can then be expected on the other problems and opportunities concerning the aged.

#### Nw Mutual Using IBM For Daily Operations

Northwestern Mutual Life has begun using its IBM 705 for day-to-day service operations for the first segment of more than a million policyholders.

The general agency at Marquette, Mich., is being used as a pilot agency for conversion from traditional office procedures and some 9,000 policies are being processed on the IBM 705. Next territories scheduled for this service are Miami, St. Petersburg, Houston and Dallas. Within two years the company expects to have records of all its 1,700,000 policies in force handled by the 705.

Changeover to 705 operations puts Northwestern Mutual on the first leg of a complete night operation for electronic data processing. At the close of business each day, tape will be run through the 705 in such a way that almost every action the company must take that day on any policy will be carried to conclusion by the computer system.

#### San Antonio CLUs Elect

George E. Nowotny, Minnesota Mutual, has been elected president of San Antonio chapter of CLU. Other officers are O. G. Rowland, Southwestern Life, vice-president, and Fred Cox, Massachusetts Mutual, secretary.

#### Equitable Society Campaign Over \$500 Million In Ordinary Sales

Equitable Society has completed its president's month sales campaign, which resulted in a total written ordinary business of more than \$500 million, a record. Almost \$337.3 million of this was written on binder. Combined group and ordinary volume totaled more than \$1.1 billion, another record for the campaign. Group totaled \$649.2 million, a gain of 50%. During the drive, 64,782 ordinary apps were submitted.

#### Life Of North America Holds Group Seminar

Life of North America held its first group seminar at the George Washington Motor Lodge, Valley Forge, Pa.

Milton F. Chauner, vice-president in charge of the group department, opened the business session and Edmund L. Zalinski, executive vice-president, delivered the keynote address. The seminar was directed by John J. Quinlan, manager of group sales.

Topics discussed during the meeting were new products, sales techniques, field management, joint efforts of group and ordinary departments and company objectives.

The Employee Security Series, recently developed for groups of 10 or more lives, was introduced.

Others on hand from the home office were Rex H. Anderson, marketing vice-president; Leland T. Waggoner, sales vice-president; Leroy G. Steinbeck, vice-president; Edwin H. Marshall, A&S secretary, and Douglas R. Schoenfeld, superintendent of agencies.

#### Victor Watkins To Head Underwriters Of West

Victor H. Watkins, Pacific National, was elected president of Home Office Underwriters Club of the Western States at the annual meeting in San Francisco. He succeeds Henry Oberdick, Prudential.

Other newly elected officers are Jonas Svendsen, Metropolitan, vice-president, and William H. Lane Jr., West Coast Life, secretary.

Speakers were Chester F. Barney, vice-president American United, on the problem of alcohol, and Dr. Harry E. Ungerleider, consulting medical director of North American Re, on cardiovascular impairments.

#### Receives Florida Agents' Award

W. W. Edwards, Prudential, Miami, has been selected by Florida Assn. of Life Underwriters to receive the C. G. Snead award for outstanding service in "advancing the cause of life insurance in the finest tradition of the industry." The award was established by Independent Life & Accident in honor of a founder and president.

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## Texas Agents Elect Bennett At Galveston

(CONTINUED FROM PAGE 4)

National, San Antonio, and Charles R. Lowe, Southwestern Life, Amarillo, was runner-up. The Fort Worth association received the achievement award for associations with more than 200 members and Beaumont for associations with less.

A frightening picture of A&S insurance in Canada was given by Ardell T. Everett, 2nd vice-president of Prudential, at the sales congress. "Your brother agents in Canada, for all intents and purposes, will be out of the hospital insurance business in all Canadian provinces except for perhaps Quebec by July of this year," he said.

Mr. Everett related some ominous headlines in Canadian newspapers which emphasized the whopping bite on taxpayers' income and the inadequacies of care under government health insurance.

### Quality Must Suffer

"It is quite obvious that the quality of medical care must suffer, as has been true in Great Britain. The tax bills will be so great that the public will have difficulty in paying them. This has proved true already in the provinces of Saskatchewan and British Columbia where there have been provincial hospital plans in effect for several years." In British Columbia, health care alone accounted for 23% of the total net general expenditures of the provincial government in 1955. It is now more, he said.

Social health plans bring poor service and poor facilities, and they are far more costly than any private plan, Mr. Everett declared. The rate of admissions and average length of stay far exceed the comparable figures in the U. S. with the result that the average number of days of hospitaliza-

tion for each person in the population is twice as high as it is in the U. S. "Examples taken from various existing governmental plans certainly should frighten the American taxpayer."

He continued with observations on how hospitals and medicine had deteriorated because of abuses to which they are subject under government control.

The agent's vital role in life insurance selling was described by Brice F. McEuen, vice-president and agency director Lamar Life. He pointed to attempts to sell life insurance through automatic devices, which failed because there was no one to cause people to want the product.

### Gives Rules For Success

Gerald Hollman, American National, Oklahoma City, voiced a number of rules for success:

The man must have a desire greater than a handicap; he must set a goal which will make his earnings equal to his yearnings; he must have a short range and long range goal; he must organize his work.

The best medicine for a life agent is making calls, Mr. Hollman declared, adding that he makes all his after 4:30 in the afternoon. Like a football player the agent does not regard his preparation and part in the game as work, and also like the football player, he regards selling as fun, he said.

Texas Leaders Round Table and Texas General Agents & Managers Assn. elected officers at their meetings. The Leaders Round Table picked Al Kaplan, Great National Life, Austin, chairman; John V. Boeye, Southwestern Life, Corpus Christi, vice-chairman; and Felix H. Bray, Mutual Benefit Life, Houston, secretary.

P. H. Hufstetler, Great Southern Life, Dallas, was elected president of the general agents' and managers' group. William Bagg, John Hancock, Fort Worth, and Ben P. Atkinson, American General, Austin, were named vice-presidents; H. V. Seger, treasurer, and Melvin Cruse, Security L&A., Amarillo, secretary. Luncheon speaker was Dr. John G. Andrews, who discussed religion as a defense against Communism.

## San Jose General Agents Conduct Sales Conference

A sales conference sponsored by San Jose General Agents & Managers Assn. attracted 400 agents.

Rev. Herman J. Hauck, former president of University of Santa Clara, was the keynote speaker. The program included a planning panel moderated by Jack M. O'Keeffe, Metropolitan, and a prospecting panel with George H. McNeal, Equitable Society, as moderator.

Raymond F. Triplett, a \$5 million producer of New York Life in 1958, was interviewed. Ernest D. Hazeltine, Northwestern Mutual, discussed advanced underwriting, and Edward J. Mintz, New York Life, spoke on business insurance. Oren D. Pritchard, president of National Assn. of Life Underwriters, presented a message from NALU, and Walter G. Gastil, chairman of General Agents & Managers Conference, addressed the meeting.

## American Security Life Buys Colonial Life, Ill.

American Security Life of Fort Wayne, Ind., has acquired control of Colonial Life, H&A., an Illinois assessment company with headquarters at Chicago, which it will operate as a subsidiary. Colonial's Chicago office becomes Illinois sales headquarters of the parent company, with William P. Kelly of Colonial vice-president in charge. Chief officers of Colonial will be President R. J. Ankenbruck of American Security, president; Mr. Kelly; W. A. Rowald, executive vice-president and actuary of the Fort Wayne insurer, treasurer, and Donald T. Mefford, secretary-treasurer of the parent company, secretary.

Colonial Life has been operating in Illinois since 1928. American Security began business in March of 1957.

### First National Life Offering Stock

First National Life of Phoenix is offering 75,000 shares of common stock (\$4 par value) through Blair & Co. of New York City, which is underwriting the sale, at an offering price to the public of \$12 per share.

## Calls Small Groups Best A&S Market

(CONTINUED FROM PAGE 4)

approach. I still feel that major medical is the answer.

Since the inception of major medical, there has been a continued trend toward eliminating or "watering down" the two basic but most important principles—the deductible and the coinsurance factor. All companies are now writing group coverage which provides reimbursement for hospital expense from the first dollar and without coinsurance. Many go even further. I believe when we put the deductible and the coinsurance back into major medical we will have a product which can be written profitably and one upon which the costs can be controlled.

The group industry is being pressured from many directions. Population today is estimated to be about 175 million in the United States. Current estimation of population in 1965 is 200 million and in 1975 225 million. On the other hand, the rate of increase in the number of men going into insurance selling as a career is not increasing in relation to the population increase. It is estimated that whereas there is now one insurance salesman for roughly every 100 prospects, in the next 15 or 20 years, if the present ratios continue, there will be only one insurance salesman to serve the needs of every 300 prospects.

### Must Mass-Merchandise

It is obvious from this that if we are going to fully serve the insurance needs, we are going to have to develop further concepts of mass merchandising. In other words, in the A&S field, group insurance will have to play an even bigger part.

At the other extreme, there is more and more talk of federal intervention because of the rising costs of insurance and because of the areas of the population which are not receiving adequate coverage. We, the companies and the agents stand between these two pressures. We must do a bigger and better job of providing coverage and we must devise methods of doing so at premium rates not much higher than they are now.

### Attractive Rates Essential

The company's responsibility, we believe, is to devise the plans and coverages which will best suit the needs of all, the individual, the member of the group plan and the retired or older aged segment of our population. We must accomplish this at rates which will make our products attractive and marketable.

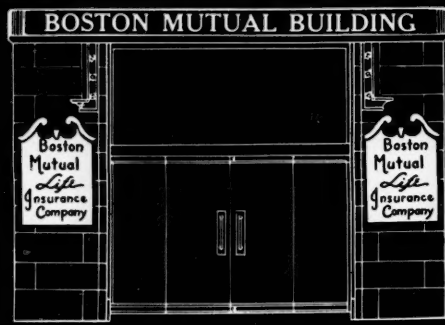
The agent's responsibility then is to finish, to understand and agree with the philosophy upon which the plans and coverages have been founded, and then to educate the public to the fact that all things considered, these are the plans which will afford the best protection in the long run. In other words, the agent must sell the public the same philosophy, rather than to sell policies which, though they may seem attractive initially, are such that they cannot be underwritten profitably at reasonably and sound rates.

### Bankers Of Neb. Tops Record

The field force of Bankers Life of Nebraska produced \$21,405,000 of business in a five-week anniversary sales campaign. The production tops the 1958 record by \$1.5 million.

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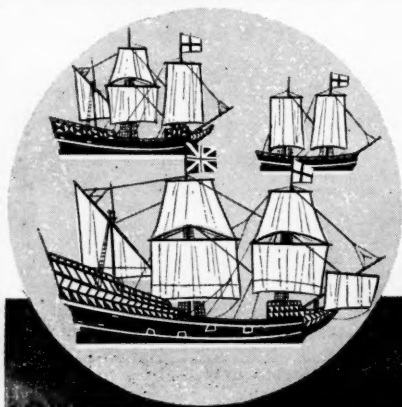
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## H. S. Smith Named Head Of Fla. Assn.

Horace S. Smith Jr., Fidelity Mutual Life, Tampa, was elected president of Florida Life Underwriters Assn. at the annual convention at the Hotel Robert Meyer, Jacksonville. Other officers elected were David J. Blatt, Mutual of New York, West Palm Beach, senior vice-president, and Jack Lowry, Gulf Life, Tampa, secretary-treasurer.

Elected zone vice-presidents were Herbert Brinkley, Independent Life, Tallahassee; J. Thomas Donaldson, Liberty National, Gainesville; John Harrison, Gulf Life, Orlando; B. M. Stewart, Independent Life, Fort Lauderdale, and Walter J. Stokes, Mutual Benefit Life, Miami.

The association's legislative chairman, James C. Fogarty, Acacia Mutual, Jacksonville, discussed the recently enacted Florida insurance code. In his presidential address, Willis H. Parker, Independent Life, Jacksonville, urged members to take a more active part in city and county political affairs.

### GAMAs Elect Charuhas

At the General Agents & Managers Assn. meeting, George N. Charuhas, Fidelity Mutual Life, Miami, was elected president; Philip F. Clark, Equitable of Iowa, Orlando, vice-president, and James M. Harlan, Gulf Life, Jacksonville, secretary-treasurer. Speaker at the GAMA meeting was William Hamrick, senior vice-president of Gulf Life, who later in the convention was named man of the year by the Florida agents group.

Lester O. Schriver, NALU managing director, outlined the national association's history at the banquet the final day of the convention. William H. Andrews, manager of Jefferson Standard Life at Greensboro, N.C., and president of American Society of CLU, was speaker at the CLU breakfast. Immediately following the convention, a leadership training school was conducted by Ann Bickerton, NALU's director of field service.

### \$1.5 Billion In Force Is Attained By Pilot Life

Pilot Life has reached the \$1½-billion mark of insurance in force, the largest part of which was attained in the past 10 years. Founded in 1903, Pilot wrote its first \$500 million in force in 1950. It took the company another five years to reach the \$1-billion mark, and four more years to attain its present in force figure of \$1½ billion.

### Cleveland Agents Elect R. J. Kennedy President

Cleveland Life Underwriters Assn. has elected Raymond J. Kennedy, Massachusetts Mutual, president. James H. Brennan, Prudential, and Robert E. Bond, Sun Life of Canada, were elected vice-presidents, and Robert H. Crowell, Provident Mutual, treasurer.

## Service Guide

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### New No. Cal., Nevada Handbook Published

A new Underwriters Handbook of Northern California and Nevada has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout this territory. Copies of the new Northern California and Nevada Handbook may be obtained from the National Underwriter Co. at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$15.00 each.

### Buyers Are Emotional, Must Be Motivated,

#### Indianapolis Assn. Hears

Americans are emotional buyers, John Griffiths, executive vice-president National Equity Life, told members of Indianapolis A&H Assn. at their closing meeting.

"Too often," he said, "emotional motivation is left out of the insurance sale. If facts alone sold insurance, then actuaries would be the biggest producers."

Too many agents are more interested in making an impression on the prospect than they are in making the sale, he declared. "They want to show how much they know about the business. Facts and logic have their place in the sales process, but all alone, they'll never close enough business to keep you alive."

To be successful in the business, Mr. Griffiths concluded, the agent must know not only the psychology of buyers but also his own psychology.

### Detroit Managers Pick K. R. Strang President

Kenneth R. Strang, John Hancock, has been elected president of Life Agency Managers Assn. of Detroit. Other officers elected are Neal D. Brubaker, Mutual of New York, vice-president; Walter E. Pattee, Travelers, secretary, and George Fraser, Aetna Life, treasurer.

### Okla. Selection Men Name Meggie President

Oklahoma Assn. of Home Office Life Underwriters elected Robert W. Meggie of Standard Life as president; Helen Smith, United Founders Life, vice-president membership and programs; Lee Butler, Western Security Life, secretary, and William Brackeen, Retail Credit, publicity director. All are of Oklahoma City.

### Cleveland General Agents Elect Lambert President

Life Insurance Managers' & General Agents' Assn. of Cleveland has elected John B. Lambert, United Benefit Life, president, succeeding Henry Dymond, Equitable Society. Jack P. Smith, Midland Mutual Life, was elected vice-president, and Edward C. Kuehnle, Phoenix Mutual Life, secretary-treasurer.

### Michigan Leaders Elect

Florence E. Lorf, Penn Mutual, Detroit, has been elected president of Life Insurance Leaders of Michigan. Also elected are E. Leon Harris, Midland Mutual, Bay City, and Earl J. Christy, Occidental Life of California, Detroit, vice-presidents, and Dora Damden, Detroit, secretary-treasurer.

### Seek To Sell 350,000 Interstate L.&A. Shares

WASHINGTON—Interstate Life & Accident has filed a statement with SEC seeking registration of 350,000 outstanding shares of common stock, to be offered for public sale by its present holders through an underwriting group headed by Equitable Securities Corp. Public offering price and underwriting terms are to be supplied by amendment. SEC said:

"Interstate Life has outstanding 2,984,267 common shares. The prospectus lists seven selling stockholders, whose holding aggregate 904,175 shares. The largest blocks are held by H. Clay Evans Johnson, president, 219,577 shares; Joseph W. Johnson Jr., vice-president, 201,386; and David F. S. Johnson, vice-president, 225,308. Each proposes to sell 63,497 shares. The Evans Foundation, Inc., proposes to sell 84,509 of its holdings of 128,952 shares; and three trusts propose to sell 25,000 shares each of their holdings of 42,984 shares each."

### Philadelphia CLUs Elect

Donald M. Solenberger, Connecticut Mutual Life, has been elected president of the Philadelphia chapter of American Society of CLU. Other officers elected are Joseph H. Reese Jr., Penn Mutual, 1st vice-president; L. Kent Babcock Jr., Aetna Life, 2nd vice-president; John C. Knipp Jr., Connecticut Mutual Life, 3rd vice-president, and Clarence H. Carr, American National, treasurer. William B. Kirk, Occidental Life, continues as secretary.

New directors elected are Frank J. Campbell Jr., Connecticut General, and Paul H. Drumheller, Aetna Life.

### Lexington (Ky.) Agents Conduct Sales Congress

A sales congress was conducted by Lexington Assn. of Life Underwriters in conjunction with the annual meeting there of the Kentucky association.

Speakers included Stanley C. Collins of the field management division of Metropolitan Life, a former president of NALU; Frank B. Maher, vice-president John Hancock; Gordon McKinney, vice-president Jefferson National; and Francis L. Merritt, director of training of Mutual Benefit Life.

### Edelstein Again Heads AALU Legislative Unit

Milton Edelstein, Connecticut Mutual, Chicago, has been reappointed chairman of the Assn. of Advanced Life Underwriters by President Merrill P. Arden, National of Vermont, New York City.

Other members of the committee are Benjamin Stern, New England Life, New York City, Harold Franklin, Canada Life, Cleveland, and James Deering, independent, New York City.

### Deadline For Filing Form 1120L Set At Sept. 15

Commissioner of Internal Revenue Dana Latham has announced that life insurance companies have until Sept. 15 to file Form 1120L for 1958 and to make final payment of 1958 federal income tax.

This is a blanket extension granted by the life company income tax bill passed by the House and Senate on June 10. Requests by individual companies for extension are not required, Mr. Latham emphasized.

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## President, Congress Told About Misuse Of Terms By Social Security Unit

NALU, in distributing to President Eisenhower and members of Congress a copy of a resolution recently adopted by the association's trustees, has brought to national attention the fact that the Social Security Administration is misusing insurance terminology.

The resolution called upon Congress to delete from the social security

act all insurance terminology used therein; to change the name of the social security program itself to one which will accurately describe its true nature and purpose, and incorporate into the act a declaration of policy that the program is not, and is not intended to be an insurance program and that it shall henceforth not be represented as such in any way by any official or employee of the federal government.

Besides being distributed to the President and Congressmen, copies of the resolution are also going to the

Secretary of the Department of Health, Education & Welfare, the Commissioner of Social Security, all state and local association presidents and national committeemen, and the presidents of leading life companies.

## United Services Life Has 20% Stock Dividend, Split

Directors of United Service Life have declared a 20% stock dividend, payable July 15 to stockholders of record June 30, which increases capital from \$500,000 to \$600,000. United Services' charter has been amended to effect a 2½ for 1 stock split by reducing par value of shares from \$2.50 to \$1.

As a result of the two actions, paid-up capital has been changed from 200,000 shares of \$2.50 par stock to 600,000 shares of \$1 par stock. Stockholders will receive two additional shares for each share of record on June 30.

## St. Louis Life & Trust Group Elects J. H. Veatch

J. Harry Veatch, Northwestern Mutual, has been elected president of St. Louis Life Insurance & Trust Council. Other officers are Norbert F. Amico, Mercantile Trust Co., vice-president; John O. Shields, pension plan consultant, secretary, and Clifford O. Shandy, Boatmen's National Bank, treasurer.

## Illinois Bill To Double Foreign Premium Tax Dies

The bill in the Illinois legislature to double the premium tax on foreign and alien companies from 2% to 4% and inaugurate a 2% tax on domestic companies died towards the end of the just-concluded 1959 legislative session.

## Writes \$6 Million In First Month

In May, its first full month of business, General Life of Wisconsin recorded sales of over \$6 million.

## American United Sales Are Up

Total sales of American United Life for the first five months were \$139,884,488, an increase of 23%. May sales were up 39% over May, 1958.

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## ASSISTANT TREASURER

For Life insurance company. Man with a degree in accounting or its equivalent. Experienced in insurance accounting, either in the home office of an insurance company or through the public auditing field. Midwest city under 100,000 population. Write Box H-35, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## REGIONAL DIRECTOR OF AGENCIES

will do a good job of both supervising and building. Few men have my qualifications. Prefer field headquarters in Midwest area. Write Box H-41, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## Nashville Company Formed: Has Unusual Educational Feature In Stock Setup

NASHVILLE—American Educational Life Insurance Co. has been formed here with Frank G. Clement, former governor of Tennessee, as one of the founders and E. R. Derryberry, retired secretary of Life & Casualty, as president.

Stock in the company will be sold only in five-share blocks, with one of the five going to the company's companion operation, Educational Foundation, Inc. Earnings on the foundation's shares will be paid to the private school of the buyer's choice. Plans are to sell 5.5 million shares, at a price which will be announced later when qualification requirements have been met.

Mr. Derryberry said that the educational provision is a "first" in industry so far as he knows.

He also said that the company plan to sell 750,000 shares in Tennessee and the rest in 10 or 12 other states which he would not identify, saying that any such announcement at this time would be "premature."

Mr. Clement is also a director of the new company and will serve as its legal advisor.

## Introduce Bill In Wis. To Regulate Blue Cross

A bill to regulate nonprofit health insurance organizations by the insurance department has been introduced in the Wisconsin assembly at the request of Gov. Nelson. The measure would affect three plans—Blue Cross, Blue Shield and Surgical Care—which cover about 1,100,000 people in the state.

The bill would require agents of the organizations to be licensed by the insurance department, and would give the commissioner power to examine affairs and practices and to establish minimum standards for contracts. The bill does not seek to control rates.

## Va. Hearing Set On Credit Life And A&S

The Virginia advisory legislative council committee studying credit life and A&S will hold a public hearing July 9 at Richmond. The committee has been directed to submit to the governor and the legislature before Oct. 1 a report of its study, along with recommendations and suggestions for regulatory legislation on credit life and A&S.

## Term Rates Are Lowered By North American Of Canada

North American Life of Canada has introduced lower term rates in Canada and the U.S. The company has also introduced a protection benefit which provides an additional level amount of insurance on a term basis expiring at age 65 or at the prior end of the premium paying period of the basic policy.

## Quincy Agents Hear Talk On India

Quincy (Ill.) Life Underwriter Assn. at their ladies' night dinner viewed a film narrated by Dr. William U. McReynolds on his trip to India. In a jungle mission hospital, Dr. McReynolds performed an average of 15 operations a day. He reported that the country, with a population twice the size of the U. S., has but \$60 million of life insurance in force. The government, he said, nationalized life insurance in 1956.

## WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

## WANTED-THE ACTUARY TO HEAD UP OUR ORDINARY DEPARTMENT

If you are a Fellow or close to it, with the ability and experience to step right in as the head of our ordinary department—we offer an opportunity we believe is unparalleled in the business. Naturally, you'll be working with calculation of rates, non-forfeiture values, and dividend scales . . . with studies of mortality, lapse and expenses . . . but more than that, you'll set the pace for the new line of ordinary policies we want to introduce, and grow with the growth of this entire division under your guidance. Salary as well as working advantages will be to your complete satisfaction.

Please give complete résumé in your confidential reply. We are ready to move quickly. Our employees know of this ad. Address Box H-30, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## OPPORTUNITY . . .

. . . to be considered for appointment as REGIONAL BROKERAGE MANAGER is offered by Life company—an affiliate of one of the largest fire and casualty companies in the country—if:

1. you have an obvious success background and experience working with brokers
2. you are under 40
3. you are a college graduate
4. you are doing well in your present position but want opportunity for rapid progress

Location—MIDWEST and EAST  
Write to Box H-32, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## EUROPEAN OPPORTUNITY

A prominent Eastern insurance company with an expanding agency in Europe writing military and American business people offers top contracts to top agents who still retain some adventurous spirit. Openings are available in England, Germany, France, Spain and North Africa. If you are interested in and capable of real production, coupled with tremendous income tax advantages, write for full particulars in confidence. Send personal details and photograph to Robert H. Rose, 82 Portland Place, London, W. 1.

## SUPERVISOR OF SALES PROMOTION

If you are under 35, experienced in writing motivating promotional copy, are creative, have knowledge of the Ordinary, Group and A&S business, desire generous fringe benefits, want to work for one of the largest and very best multiple-line companies, like the Philadelphia area, willing to work hard, contact: Donald L. Hopkins, Director of Sales Promotion, Life Insurance Company of North America, 1600 Arch Street, Philadelphia 1, Pa.

Naturally, all inquiries will be kept confidential.

## INSURANCE COMPANY WANTED

Investment Firm interested in the acquisition of an Insurance Company which may be expanded by additional capital. Write Box H-20, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## AGENCY SECRETARY

Excellent opportunity with a Midwestern mutual life company. Insurance in force about \$500,000,000 ordinary. State education, experience, present salary. All replies confidential. Our employees know of this advertisement. Write Box H-31, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.



# Lindop Terms Prospecting A Philosophy

(CONTINUED FROM PAGE 2)

owes his friends everything.

It is highly unlikely that his friends will automatically protect themselves against the catastrophic cost of getting well when they are sick or hurt, unless those friends talk to you and have properly analyzed for them the problem which the living of life has created and obtain from you the perfect solution for that problem.

## Close Relationship

How, basically, do you bring this feeling to your client? You do it as follows:

First, by having approached your client by the prospecting method. In other words, a person who thought well enough of you, and who is the prospect's personal friend, originally indicated that he wished you to see the prospect concerning the product which you have sold him (the original client), the name giver. This fact alone makes the relationship between you and the prospect extremely close.

In more or less concrete fashion, the prospect knows what you are going to talk to him about, namely protecting himself and his family when he is sick or hurt. The prospect further knows that you had shown your product to his friend and that his friend spent his good hard-earned money to protect himself with you. Whether you realize it or not, this is about 40% of the sale.

It should be understood that any prospecting approach does remove a tremendous amount of resistance. Instead, the prospect is willing to lend you his ears for approximately 30 minutes. He says he is willing to listen. Don't let any of us forget that most of the world's basic ignorance is based upon the fact that most of us do not listen.

## Know Your Business

Secondly, are you professional? If so, you will find that your prospect will begin to gain respect for you. He will begin to say to himself in a most unconscious fashion, "My friend sent quite a guy to see me."

Make it so your prospect—whether he buys or does not—will say upon your leaving that you know your business and that your demonstration has been clear and concise.

The third point is your gentlemanly approach. Be sure that you speak properly. Be sure that you stress the negatives in the policy contract as you do the positives. Be sure you tell the whole truth and nothing but.

Remember that you are an invitee into the prospect's home or office, that you consider yourself as a guest and only on one matter do you defer to no man. And that is your knowledge of the policy you are selling and of the problem that the poor soul before you has and his supreme confidence in you that you have the solution. Be a dignified servant of humanity. Be proud of your profession. Ask nothing of them but to listen.

## Deliver Policy

Fourth, when the A&S policy finally is issued by your company, telephone your client, the insured, and tell him that his protection has arrived, that his worry over the horrible problem of catastrophic cost necessary to get well when he is sick or hurt no longer exists. Tell him that he can now live audaciously. Tell him to take business risks which good conscience forbid him to take heretofore.

Make an appointment to deliver his

policy. At the appointed time, make the delivery. Go over every important feature of this policy—both positive and negative—with the insured. Read it to him. Show him that he got exactly what he bought. Demonstrate to the client that you know your business, that your company has integrity, that you do not falsify while selling, that you are a professional.

Again you are not only helping your insured, but this is the beginning of your free service to him.

Fifth, in a further effort to establish my belief that prospecting is a philosophy rather than a business procedure, you must inform your client that you will render him service when he is sick or hurt, that you are not a fly by night in this business—in one day and out three days later—that you will be on call whenever he needs you concerning any insurance problem which may occur in his life.

## Educated Clients

My clients have been taught to tell my secretary immediately after they have consulted a physician when they are sick or hurt. We have always given 48-hour service. We have sent flowers to every hospital patient. We have delivered checks. We desire no reward for these services. They are due and owing and I believe that we have found that our clients are more than satisfied with us and our service. They must be because they have made us successful by sending us to all persons for whom they have high regard. We have sold most of these people.

We have no center of influence. We have truth and service as our center of influence. It is our job to protect people. We have done our best to perform it.

If you will follow the five precepts listed above you will find that men do respect you, that your way of life is a most decent path to follow. You will find that men consider you on a par with their doctor and lawyer. You will find that there is no one in your community who cannot approach disaster and to whom charity must be extended in time of need.

## Life Institute Names Blake Newton Jr.

(CONTINUED FROM PAGE 1)

southwestern Virginia and is on the advisory council of naval affairs at Roanoke, the advisory board of the Eye Bank and Sight Conservation Society of Virginia and the Executive Board of the Roanoke Council of Boy Scouts. He has been serving on the boards of Colonial-American National Bank, United Fund of Roanoke Valley, Burrell Memorial Hospital Assn., Episcopal Radio-TV Foundation, Shenandoah Club, Junior Achievement of Roanoke Valley, Old Dominion Industrial Exposition, Roanoke Valley Development Corp., and Roanoke Symphony Orchestra.

## Conn. Agents Reelect Bora

Douglas A. Bora, Aetna Life, Ray-ayton, has been reelected president of Connecticut Life Underwriters Assn. at the annual meeting at the New Haven Lawn Club. Other officers elected were Leslie R. York, Aetna Life, New Haven; James R. Keane, Metropolitan, Danbury; William Booth, Nationwide Life, New London, all as vice-presidents, and Raymond Nicholls, Churchill Associates, Hartford, as secretary-treasurer.



Speakers at the opening session of the President's Club of General American Life at Colorado Springs are, from left, Adm. Sidney W. Souers, chairman; Commissioner Sam N. Beery of Colorado; Frederic M. Peirce, president, and Frank Vesser, vice-president of agencies. (Story On Page 10.)

## Lincoln National Life's TV Program Wins Award

The "Meet Mr. Lincoln" TV program sponsored in February by Lincoln National Life has received a Robert E. Sherwood award as "a television program contributing to the understanding of freedom and justice."

"Meet Mr. Lincoln," which was produced by NBC's special projects division, was also recognized for "the application of a brilliant technique to a familiar and important subject."

The Robert E. Sherwood awards, established by the Fund for the Republic, were presented by Mrs. Eleanor Roosevelt at New York.

## Utah Agents' Assn. Elects DeLoe McMullin President

DeLoe McMullin, Lincoln National Life, Ogden, has been elected president of Utah Assn. of Life Underwriters. He succeeds Hyrum P. Cannon, Northern Life of Seattle, Salt Lake City.

Other officers are William W. Whitesides, New England Life, Salt Lake City, vice-president, and William E. Bradshaw, Occidental of California, Salt Lake City, secretary-treasurer.

## Tri-City A&H Assn. Elects Vincent Clark President

Tri-City (Bay City-Saginaw-Midland, Mich.) A&H Assn. has elected Vincent J. Clark, Saginaw, president. Garner W. Ayres, Bay City, Joe R. Storm, Saginaw, and Robert D. Kreiner, Bay City, were named vice-presidents, and William B. Terry, Bay City, secretary-treasurer.

## New York Life Revises Rates

### On Occupational Extra Premiums

Individual life insurance without an occupational extra premium has been made available by New York Life for motorcycle policemen, guards, jailers and keepers in prisons, and railroad and mine guards. An extra premium of \$2 per \$1,000 previously was charged persons in these occupations.

The occupational extra premium for underground miners and other workers in iron mines has been reduced from \$5 to \$3 per \$1,000.

Lafayette (Ind.) Life Underwriters Assn. has elected Willis Beutler president; Ernest W. Ray Jr., vice-president; Donald F. Leuck, financial secretary, and Louis O. Carr, recording secretary.

## N. Y. Plans Discussion Of Legislative Suggestions

The New York department is making plans for its annual hearings on proposed insurance legislation. The hearings, tentatively scheduled for mid-October of this year, provide industry with an opportunity to state its views on legislative proposals for consideration by the joint legislative committee on insurance rates and regulation and possible sponsorship by the department in the legislature.

To facilitate preparation of an agenda for the hearings, the department is asking for submission of proposals by Sept. 15.

## American Mutual Attains \$300 Million In Force

American Mutual Life reached the \$300 million mark of life insurance in force on June 12. Sales in May, which was president's month, set a company production record. Business for the first five months showed a 12% gain over last year.

## Washington State Assn. Elects Gene Ballantyne

Gene Ballantyne, Bankers Life of Nebraska, Spokane, has been elected president of Washington State Assn. of Life Underwriters. He succeeds Kendrick C. Hawkes, Mutual of New York.

Other new officers are John B. Freer, New York Life, Aberdeen, Walter J. Shields, Equitable of Iowa, Spokane, and Fred B. Wiley, Occidental of California, Seattle, vice-presidents, and Guy W. Hakens, Northwestern Mutual, Walla Walla, secretary-treasurer.

## Lee National To Sell Stock

Lee National Life of Shreveport has filed a registration with SEC for 200,000 shares of common stock to be offered for subscription at \$5 per share to current stockholders on the basis of one new share for each share currently held. The unsold shares will be offered for public sale at \$6. Management officials will make the public offering, for which they will receive a selling commission of 90 cents per share.

There are currently 200,000 shares of Lee National Life outstanding.

Connecticut Mutual Life's Edelstein agency has moved to larger quarters at 2812 West Peterson Avenue, Chicago.

## How Can My Agency Expand?

## How Can My Agency Earn More?

The answer is right here. Reading this page may be the most rewarding 10 minutes you could devote to your future progress.

# American Casualty Agents Increased Accident & Health Volume

# 7500% IN 15 YEARS

(Industry Increase in the Same Period: 1400%)

Association Group  
Aviation Accident  
Blanket Medical  
Expense  
Business Expense  
Campers Medical  
Expense  
Cancer, Polio,  
Specified Disease  
Credit Disability  
Custom-Tailored  
A. & H.  
Franchise  
Group  
Guaranteed  
Renewable  
Hospital Expense  
Impaired Risks  
Income Replacement  
Key Man  
Major Hospital  
Major Medical  
Overage Policies  
Rent Replacement  
Special Risks  
Travel Policies  
Volunteer Fireman  
Youth Policies

**D**URING THE past 15 years, annual Accident and Health premiums for the industry as a whole registered a sensational increase of 1400% . . . an amazing record of growth and public acceptance. During this same 15 year period, Accident and Health premiums written by American Casualty agents registered a spectacular 7500% increase—more than five times the growth of the industry!

Many of the agents responsible for this record are all-lines producers, possibly like yourself, who became convinced that Accident and Health lines were vital to their progress. Right now, Acco agents are writing nearly \$31 million dollars MORE in annual A. & H. premiums than they wrote in 1943!

Why?—Why have agents chosen American Casualty policies to broaden their service to clients and to increase their earnings? There are a number of reasons:

**New and Improved Policies** Each Acco policy is forever improved—can't become "last year's model"—not even in this age of constant change. A continuing development and improvement program assures a complete, modern, competitive portfolio of A. & H. policies for every need . . . every pocketbook. The listing (left) gives some indication of the great selection and flexibility of Acco's portfolio.

American Casualty has been an Accident and Health pioneer since 1902. We have issued A. & H. policies for 58 consecutive years.

**Exclusive Contracts** For agents who like to keep a long step ahead of competition, there are exclusive contracts which were Acco "firsts". One is the Comprehensive Major Medical Policy for individuals and families, which starts paying covered medical and hospital bills after a low \$50 deductible, up to a maximum of \$10,000. Benefits are unallocated. Another is the new Protector Hospital Policy which pays daily room and board benefits for an UNLIMITED number of days for each covered accident or sickness. Policies like these give agents a tremendous edge on competition. Acco's willingness to defy tradition widens that lead still further.

**Spectacular Account Developers That Add Up to Millions in Premiums** Acco's popular short-term and annual trip accident policies are volume-builders. They also supply a non-stop flow of prospects for other lines of coverage. Sometimes thought of as "nickel and dime" business, these policies actually pour millions of dollars in premiums into agency accounts year after year. So extensively are the trip policies sold that there is scarcely a catastrophic travel accident anywhere in the world that does not reveal one or more injured persons who are insured under American Casualty policies—whether individual or group. For example: Recent Maryland air crash: Three Acco insureds with a total of \$150,000 in

principal sum benefits. New Jersey commuter train: \$200,000 in principal sum benefits covered two passengers who were fatally injured. KLM airliner: Six victims were Acco insureds. Bus Accident in Germany: \$10,000 paid to the family of an American who was killed. Nevada airliner: \$60,000 total in death indemnities for three passengers. Fatal Highway Collision: \$200,000 for the family of a business man.

**Big Names—Big Premiums** For the man who caters to the larger risk, A. & H. group plans cover employees of most of the world's great corporations. Clients of Acco agents are the "blue chips" of the industries and the names read like a "who's who of big business." The Major Medical plan of a utilities company calls for a \$400,000 annual premium . . . another utilities pays \$350,000 . . . a motor vehicle firm pays \$75,000 for group travel coverage alone. Aviation ground crews are insured under a plan with a \$125,000 yearly premium. These are a very few among many thousands of group risks.

**Global Umbrella of Claim Service** Added to Acco's coast-to-coast network in the United States, including Alaska, Canada and Puerto Rico, are more than 150 claims offices in foreign lands, maintained by our European affiliate. This is a global umbrella of service unequalled by any other Accident and Health company.

**Unusual Classifications** There are desirable policies (hospital and disability income) for impaired risks . . . attractive hospital, medical and income policies for elderly men and women. Our Special Risk department does a brisk business in made-to-measure programs for buyers with special problems.

**Specialized Service** Sixty branch offices from coast to coast bring Acco facilities within easy reach of agents in all states. In addition, there are more than 150 Accident and Health specialists who are always on call to assist agents in any phase of A. & H. production.

**The Fastest Road** For thousands upon thousands of agents, the fastest road to future growth, increased earnings and maximum service to policyholders is *Accident and Health*. You benefit by level new and renewal commissions. You have an agency agreement which assures your ownership of the business.

Seventy-five hundred percent increase in annual Accident and Health premiums in 15 years for American Casualty agents! THERE MUST BE A REASON. May we give you more details of the A. & H. portfolio that made these phenomenal results possible? Just clip the coupon, attach it to your letterhead and mail to A. H. Kessler, vice president, American Casualty Company, Reading, Pennsylvania.

## American Casualty

60 Branch & Service Offices Coast to Coast  
HOME OFFICE: READING, PA.

American Casualty Company, Reading, Pa.

Please give me full details about American Casualty's across-the-board Accident & Health facilities.

NAME .....

ADDRESS .....

CITY ..... STATE .....

**Dynamic Promotional Programs—Attractive Sales Aids** "Best in the business"—"really superior"—"absolutely tops" are some of the comments from agents regarding the Accident and Sickness sales aids which are available through Acco. In addition, agents may participate in company sponsored, hard-hitting Direct Mail Programs.

**Glamorous Incentive Plans** In September 200 American Casualty agents from every state will receive bonus awards for exceptional Accident and Health production during the first six months of 1959. They will be flown to Bermuda for a wonderful vacation—at American Casualty's expense.

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